JUNE 8, 1981 TWO DOLLARS FIFTY CENTS

Forbes

EXECUTIVE COMPENSATION

PERKING IT UP

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Forbes

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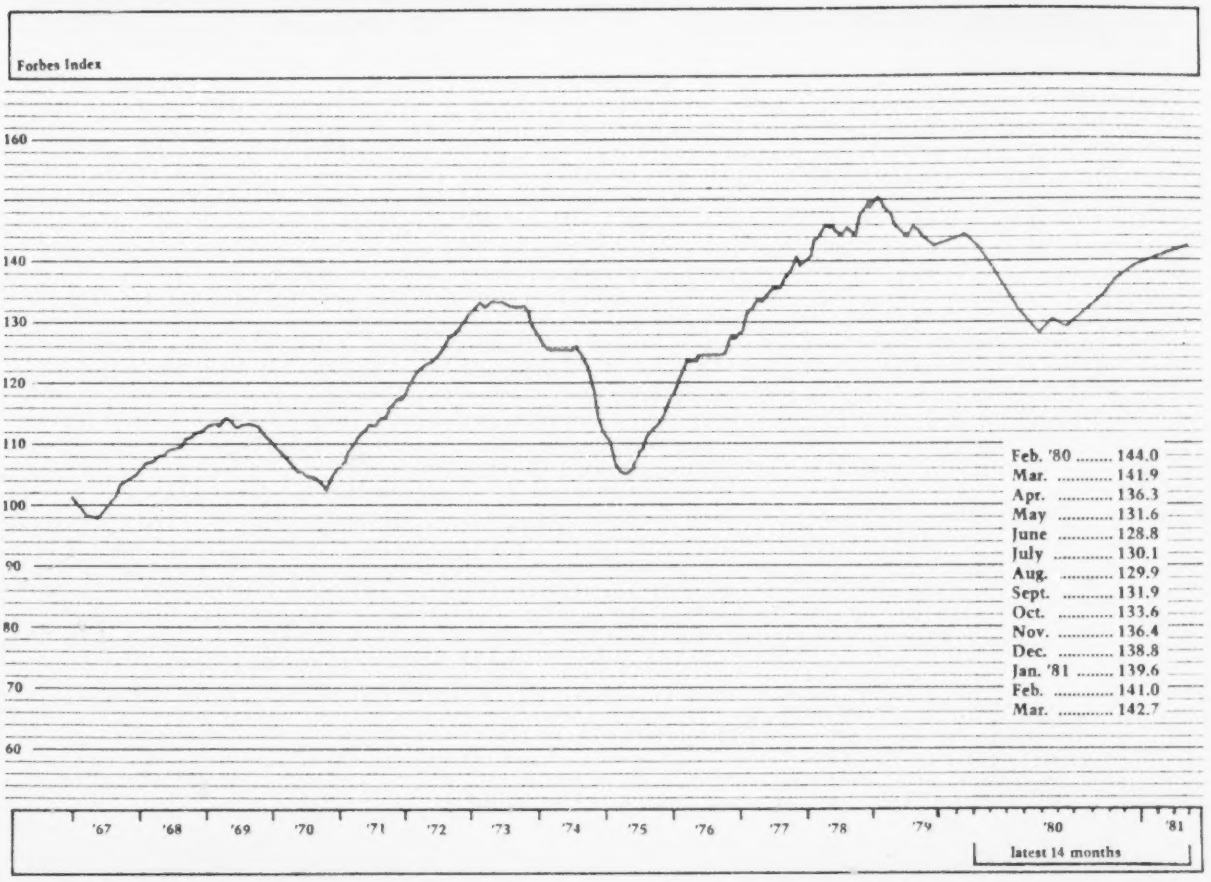
The Forbes Index



The Forbes Index Components

Climbing, on borrowed money. Consumers took on more than $1 billion in debt, and that helped move the Forbes Index up this reporting period, but hardly for the best reasons. There's a good-news side though, since loans in the prior period increased by almost $2 billion. At the same time, industrial production kept climbing. It's now higher than at any time in the past 18 months. Retail sales, which had been rising, dropped below March levels.

The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements:

Total industrial production

New claims for unemployment compensation

The cost of services relative to all consumer prices

The level of new orders for durable goods compared with manufacturers' inventories

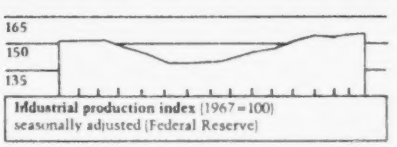
Total retail sales

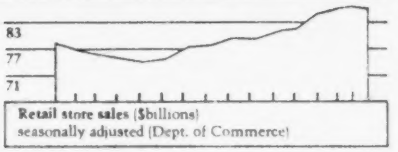
New housing starts

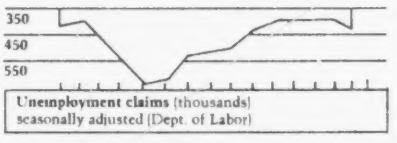
Personal income

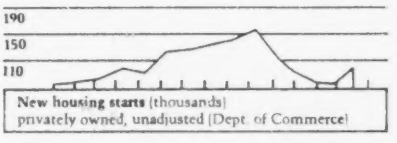
The change in the amount of consumer installment debt outstanding

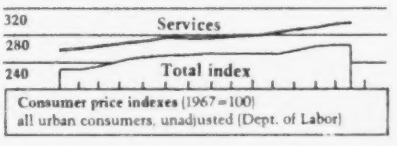
To measure these eight elements, FORBES monitors 11 series of U.S. government data. The last 14 months' data for each series is presented at right.

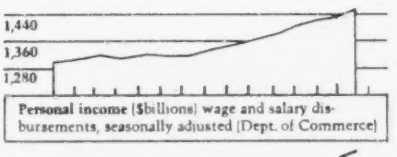


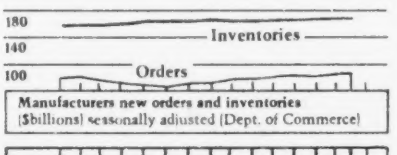


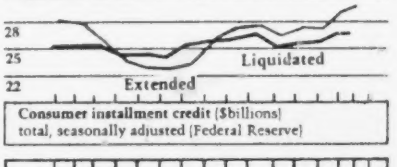












you've got to be a damn fool to buy the common rather than the convertible," Wikler says. Consider the Oak Industries 11% bond, due in 2000 and convertible into 40 shares of stock. The stock was recently trading at 33 and the bond at 137, so that the bond is at a slight premium to the underlying stock—$50 per $1,000 bond.

What do you get for this premium? First, a much nicer annual yield: 8% on the bond, *vs.* 0.7% on the stock. On that score alone the bond would pay for itself in a matter of months. But the $50 also buys you some insurance. If the stock collapses, the bond will still have value as a fixed-income security. Minus the conversion feature, it would be worth about $750, according to *Value Line Options & Convertibles*. Doesn't this mean the convertible is a steal? Not necessarily. Oak, an electronic parts manufacturer and cable-television operator, may be overpriced at 17 times earnings.

Still, convertibles can help an individual investor maximize his profits. After picking a stock, advises Wikler, look for a convertible equivalent before placing your buy order. Sometimes the convertible is hard to find. Rothschild, for example, has been buying Chieftain Development, a Canadian oil producer, via its convertible preferred, which has no conversion premium but sports a 1.8% yield advantage. The common is traded on the American Exchange, but the convertible is available only in Canada.

Not all convertible securities trade near their common stock value. The other extreme is a bond so far out of the money that it behaves like a fixed-income investment. First Pennsylvania 5% bonds of 1993 were quoted recently at $395 per $1,000 bond, for a 17.4% yield to maturity—assuming the bank survives until then. That's only $15 more than the bond would be worth without the conversion privilege. The bond is convertible into 23¼ shares of First Penn common, worth all of $110 currently. Rothschild doesn't bother with long shots like that, for the same reason that he shuns straight long-term bonds.

There is, of course, a tradeoff: The lower the conversion premium, the less protection against a drop in the stock price, but the better protection—or so Rothschild thinks—against inflation. That's why, when he buys convertibles today, Stanford Rothschild is more interested in finding an attractive way to acquire stock in companies he likes than he is in locking up high long-term yields. For the careful shopper, he believes, bargains abound. ■

Folks like Arco, Socal and Sohio now own over half of the U.S.' copper reserves. Is their diversification strategy a plan to buy and invest—or to buy and hold?

Mixing oil and copper

By Carol E. Curtis

Since 1977 Atlantic Richfield has owned Anaconda. Sohio will pay $1.77 billion for Kennecott. Socal offered $4 billion to expand its stake in Amax.

Big oil, in short, is paying big bucks to buy into copper. Even though reams of copy have been written about each of these specific moves, few analysts have assessed their broader significance. There are ten major copper producers that hold nearly all U.S. reserves, and oil companies now own or have major interests in six of them. Asarco, Newmont Mining and Phelps Dodge—the remaining independents—are all tempting takeover targets. The oil industry already controls over half of domestic copper resources and 55% of current production, up from 34% just three years ago. Should Socal ever renew its bid for Amax and win the takeover fight, this would rise to 63%—far larger than the oil industry's current 25% share of coal production.

Part of the reason for this march into metal is the fact that buyers spotted bargains—and had the cash to snap them up. "The mining companies were strapped financially, and oil companies bought capacity in place more cheaply than they could build it themselves," says Robert Lesemann, a market analyst with Commodities Research Unit. "They got the assets quite cheap."

In the biggest current acquisition, for example, Sohio acquired Kennecott's 375,000 metric tons of annual production capacity for $1.77 billion. For Sohio to build instead of buy, it would require some $3 billion at current costs of $7,500 to $8,000 per ton of capacity. Similarly, Arco bought Anaconda for $700 million, much less than it would have cost to enter the copper business on its own.

Charles Barber of Asarco
Fighting off submersion in oil.

Copper capacity, however, was cheap for a reason. For the moment, of course, copper prices are 80 cents to 85 cents per pound, and the industry's two biggest markets—automobiles and construction—are in the doldrums. Beyond that, there is the massive financial burden of complying with recent environmental regulations. The industry has spent $2 billion over the last 12 years on air-pollution-control equipment alone, and more money will be required. It still costs Asarco, for example, $50 million a year to control pollution. As a result of these expenses, building of

new facilities has been deferred. "How are you going to make the investment, maintain the cash flow and make the thing pay?" asks one copper expert.

Enter big oil, with its hoard of cash. A potent argument in favor of oil-and-copper mergers is that the energy giants bring the financial muscle for massive capital expenditures. Says Geoffrey Croome of Commodities Research Unit, "Copper has become an incredibly expensive business, and oil offers financial security. Companies can ride out the downturns better." Croome, in fact, worries that the oil industry will overinvest in capacity, aggravating production surpluses.

Perhaps. But there are indications that oilmen can wield some very sharp pencils. In September, for example, Anaconda decided to close a Montana smelter capable of refining 9% of all U.S. copper. Anaconda's Arco management opted against spending $400 million to meet clean air rules, and as a result Montana copper concentrate is being shipped to Japan for refining (FORBES, *Mar. 2, 1981*).

Critics of oil company involvement in copper point out that Anaconda is the only copper producer ever to close down a smelter rather than upgrade it. Arco made its decision, of course, because the current return on its money could be maximized elsewhere—and a pure copper company might have acted otherwise.

For example, Asarco Chairman Charles Barber says his company will put up some $135 million to correct a similar problem at its smelter in Arizona. Phelps Dodge, another independent, is reluctantly spending $195 million on its two Arizona smelters. Says Barber, "Experience convinced us that we were better off dredging up the additional funds. But if other oil-owned companies follow the path of Anaconda, and more production is exported, we won't control our own copper supply." That, of course, is a political decision, and in view of current proposals to increase stockpiles of metals like cobalt and titanium, the Reagan Administration might be surprisingly receptive to proposals to protect domestic producers.

Unless the government intervenes, however, new money won't necessarily flow to copper, even though copper needs it and the oil industry has it. Simon Strauss, a copper expert, points out that when it comes to committing cash, big oil, with a large array of energy-related alternatives, may well evaluate copper projects even more critically than do the copper companies. In that case, he argues, U.S. copper processing capacity could decline, putting the U.S. at a disadvantage in a strategic metal.

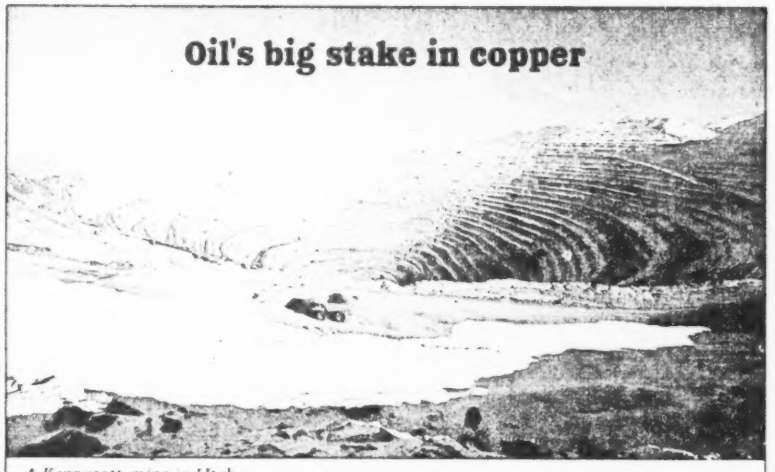
Apart from what oil will do for copper, of course, there is also the question of what copper will do for oil. In the main mergers so far, copper's average return on investment has been disappointing. Right after Sohio announced its bid for Kennecott, its price dropped by $3 a share.

One critic looks at the situation this way: He says that at least $1 billion will be required to shape up Kennecott's copper properties. But if Sohio had taken its $2.5 billion cash flow and socked it away in 20- or 30-year instruments, he calculates it would be getting $375 million in annual income. Not for at least three decades does he see Kennecott making that kind of money.

Still, oil companies are the longest of long-term investors. At the same time, their need to deploy cash is enormous. Petroleum projects eat up capital largely in the development phase—and for the moment there are no North Seas or North Slopes on the horizon.

What's more, the industry has a dismal diversification record in areas where active management is essential. Look at Mobil's troubles with Montgomery Ward and the disarray of Exxon's office products operations. Wiser, perhaps, to sink billions into metal—safely underground in the western U.S.—and to wait patiently for prices to rise and the economics of mining to improve. Copper companies can't afford that luxury—which may be the reason they don't like their rich new competitors. ■

Oil's big stake in copper



A Kennecott mine in Utah

The depressed copper industry has found a friend in big oil companies. Or has it? While over half of all U.S. copper capacity is owned by oil, it is unclear whether either side got a good deal.

Oil company	Copper company	Production capacity*	Percent of U.S. total
Atlantic Richfield	Anaconda	203,000	11%
British Petroleum	Selection Trust	7,000	0.4
Cities Service	Cities Service	90,000	5
Louisiana Land & Exploration	Copper Range	45,000	2
Pennzoil	Duval	126,000	7
Standard Oil of California	Amax (20%)	16,500	1
Standard Oil Indiana	Cyprus Mines	81,000	4
Standard Oil Ohio	Kennecott	375,000	20
Union Oil of California	Cyprus Pima	5,000	0.3

* Annual U.S. production capacity in metric tons per year.

Source: Commodities Research Unit Ltd.

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The disappearance of some well-known names from the ranks of the best-paid chief executives bespeaks neither retirement nor a sudden attack of stinginess, but rather a change in the ground rules. Despite this, a rough kind of justice is evident.

How much does the boss make?

THE MOST STRIKING THING about this year's list of the highest-paid executives running the nation's largest corporations is the number of familiar names that aren't there. Missing from this year's top ten, for example, is Steven J. Ross of Warner Communications, who ranked number two a year ago. Ross did all right in 1980, mind you, earning a total of $2,273,688. But handsome as it was, that sum was only enough to rank him 18th.

Missing too, among others, from last year's top ten are John Swearingen of Standard Oil (Indiana) and Rawleigh Warner Jr. of Mobil, who had ranked 4th and 5th, respectively, and who this year rank 11th and 34th.

All told, eight of last year's top ten are off the list this year. One of them, Howard Keck of Superior Oil, retired. The other, Frank Rosenfelt of Metro-Goldwyn-Mayer, had his company spun off under him, resulting in pieces too small to make our lists.

The absence of the others bespeaks no sudden stinginess on the part of compensation committees. Rather, it results largely from the absence of big stock gains reported last year *(see definitions)*. Nine of this year's top ten CEOs reached that level because of the exercise of stock options or stock appreciation rights. Warner of Mobil, having exercised no options in 1980, did not make it into the top ten this year. Last year's top ten averaged $2.8 million in total remuneration *vs.* $4.1 million this year.

When it comes to money, no reporting philosophy can be problem-free. Compensation earned by past performance but paid in 1980 *is* included. And, as in past years, our tables also continue to show accruals made on company books for long-term performance plans and under employment agreements that call for payments if and when certain conditions are met. Even though they have been reported, chief executives may not get these contingent amounts if, say, company earnings do not meet standards or the boss quits to join a competitor.

A rough kind of justice continues to be evident in these tables. Ranked are the chief executives of 818 companies—those companies that made one or more of the FORBES lists of the 500 largest companies ranked by sales, profits, assets and stock market value. The median salary and bonus paid to the boss of a company with sales between $500 million and $1 billion was $300,000, 10% higher than last year's median; between $1 billion and $5 billion it was $402,000, 6% higher than last year; over $5 billion it was $589,000, 9% higher. The median salary and bonus for all companies is $351,945.

As for the preferred route to the top dollar, there was a clear advantage among these 818 chief executive officers to those who came up through finance (134) and banking (101). Far behind were those who came up through marketing (57) and, even further behind, sales (28).

Definitions

The Securities & Exchange Commission's latest requirements for proxy statements are the basis for the numbers in the tables that follow.

Salary and bonus

Includes—in addition to salary and cash bonuses—directors' fees, commissions and payments made on long-term incentive plans.

Benefits

Includes cash-equivalent forms of compensation such as company-paid life insurance premiums or club dues, use of company car or plane and other fringe benefits; also stock bonus awards, thrift plan contributions and restricted stock awards vested or released from restrictions in 1980.

Contingent remuneration

Includes the amounts expensed for deferred compensation agreements and accruals (or credits) under performance-related long-term incentive plans.

Stock gains

Includes net value realized in shares or cash from the *exercise* of stock options and/or stock appreciation rights (SARs) granted in prior years. (In contrast to previous years, this survey does not reflect the accruals for stock appreciation rights unexercised.)

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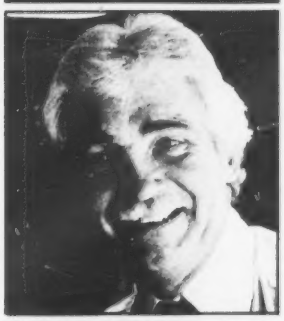
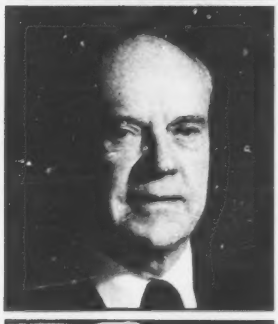
THE TOP TEN

1. Thomas B. Pickens Jr. Mesa Petroleum		2. George T. Scharffenberger City Investing
$ 415,972	Salary & bonus	$ 569,000
169,145	Benefits	11,839
45,165	Contingent	120,941
7,235,549	Stock gains	4,464,112
$7,865,831	**Total**	**$5,165,892**

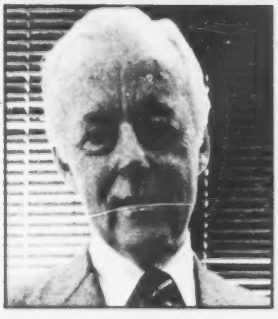
3. Robert A. Charpie Cabot		4. Walter J. Sanders III Advanced Micro Devices
$ 799,000	Salary & Bonus	$ 538,246
1,222,533	Benefits	27,907
1,376,048	Contingent	8,106
1,308,625	Stock gains	3,706,560
$4,706,206	**Total**	**$4,280,819**



5. Milton F. Rosenthal Engelhard Minerals		6. Clifton C. Garvin Jr. Exxon
$1,825,000	Salary & Bonus	$1,043,431
476,592	Benefits	60,551
1,698,625	Contingent	227,564
—	Stock gains	2,016,437
$4,000,217	**Total**	**$3,347,983**



7. Fred L. Hartley Union Oil California		8. Ray C. Adam NL Industries
$ 875,767	Salary & Bonus	$ 662,225
370,387	Benefits	21,845
463,313	Contingent	247,483
1,419,441	Stock gains	2,161,500
$3,128,908	**Total**	**$3,093,053**



9. David S. Lewis General Dynamics		10. Robert Anderson Rockwell International
$ 455,173	Salary & Bonus	$ 865,000
8,875	Benefits	18,562
—	Contingent	919,900
2,556,746	Stock gains	1,163,531
$3,020,794	**Total**	**$2,966,993**

Note: Stock gains may have been previously reported as contingent remuneration.

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
303	Abbott Laboratories	Robert A Schoellhorn (52)	369	8	150	—	527	7	2	Philadelphia, Pa	Technical
410	ACF Industries	John F Burditt (63)	428	4	—	—	432	32	14	Newton Center, Mass	Finance
770	Adobe Oil & Gas	B J Pevehouse (56)	154	—	8	—	161	21	21	Ranger, Tex	Founder
4	Advanced Micro Devcs	Walter J Sanders III (45)	538	28	8	3,707	4,281	12	12	Chicago, Ill	Founder
227	Aetna Life & Cas	John H Filer (56)	588	21	—	—	609	22	8	New Haven, Conn	Insurance
389	H F Ahmanson	William H Ahmanson (55)	375	18	52	—	445	31	12	Omaha, Neb	Administration
196	Air Prods & Chems	Edward Donley (59)	488	165	—	—	653	38	7	Highland Park, Mich	Technical
649	Akzona	Claude S Ramsey (56)	250	3	—	—	253	31	14	Asheville, NC	Administration
202	Alaska Interstate	O Charles Honig (62)	507	23	113	—	642	15	7	Dallas, Tex	Founder
167	Albertson's	Warren E McCain (55)	500	16	—	195	711	29	4	Logan, Kan	Operations
252	Alco Standard	Ray B Mundt (52)	441	9	7	121	579	11	1	Appleton, Wisc	Operations
489	Alexander & Alexander	John A Bogardus Jr (53)	243	7	—	119	370	30	2	New York, NY	Insurance
386	Alexander & Baldwin	Robert J Pfeiffer (61)	359	10	—	78	447	21	1	Fiji Islands	Operations
596	Alleghany	Fred M Kirby (61)	285	—	—	—	285	23	14	Wilkes Barre, Pa	Investment
721	Allegheny Power	Charles B Finch (61)	198	6	—	—	204	27	9	New York, NY	Legal
776	Allied Bancshares	Gerald H Smith (50)	131	21	—	—	152	22	9	Groveton, Tex	Banking
93	Allied Corp	Edward L Hennessey Jr (53)	693	61	137	—	890	2	2	Boston, Mass	Finance
92	Allied Stores	Thomas M Macioce (62)	650	120	128	—	897	21	9	New York, NY	Legal
190	Allis-Chalmers	David C Scott (65)	423	55	182	—	660	12	12	Akron, Ohio	Technical
90	Alcoa	W H Krome George (63)	649	15	15	222	902	39	6	St Louis, Mo	Technical
129	AMAX	Pierre Gousseland (59)	765	41	—	—	806	32	4	France	Technical
398	Amdahl	Eugene R White (50)	390	7	43	—	440	6	1	Bangor, Me	Administration
720	Amerada Hess	Leon Hess (67)	200	—	5	—	205	48	8	Asbury Park, NJ	Founder
481	American Airlines	Albert V Casey (61)	372	2	—	—	374	7	7	Boston, Mass	Finance
722	American B & T Pa	Samuel A McCullough (42)	186	—	18	—	204	5	3	Pittsburgh, Pa	Banking
54	American Brands	[2]Robert K Heimann (62)	574	37	374	125	1,109	27	8	New York, NY	Marketing
41	Amer Broadcasting	Leonard H Goldenson (75)	725	96	408	—	1,229	47	31	Scottdale, Pa	Legal
547	American Can	William S Woodside (59)	314	7	—	—	321	31	1	Columbus, Ohio	Operations
381	American Cyanamid	Dr James G Affleck (58)	417	5	28	—	450	34	5	Yonkers, NY	Administration
577	American Elec Power	Willis S White Jr (54)	273	15	8	—	295	32	5	Portsmouth, Va	Technical
210	American Express	James D Robinson III (45)	587	26	18	—	631	10	4	Atlanta, Ga	Finance
665	American Fletcher	Frank E McKinney Jr (42)	238	1	—	—	239	13	8	Indianapolis, Ind	Banking
451	American General	Harold S Hook (49)	335	46	16	—	397	10	2	Kansas City, Mo	Insurance
55	American Home Prod	[3]William F Laporte (67)	475	—	616	—	1,091	43	16	New York, NY	Administration
325	Amer Hospital Supply	Karl D Bays (47)	488	22	—	—	510	22	10	Loyall, Ky	Sales
65	American Intl Group	Maurice R Greenberg (56)	456	2	564	—	1,022	20	14	New York, NY	Insurance
49	Amer Medical Intl	Royce Diener (63)	450	5	266	423	1,144	11	5	Baltimore, Md	Finance
378	American Motors	Gerald C Meyers (52)	385	5	15	47	451	19	3	Buffalo, NY	Technical
583	American Natl Ins	Orson C Clay (50)	287	6	—	—	293	10	3	Bountiful, Utah	Administration
580	Amer Natl Resources	Arthur R Seder Jr (61)	281	—	14	—	295	21	4	Oak Park, Ill	Legal
556	American Petrofina	Richard I Galland (64)	288	23	—	—	312	23	12	Denver, Colo	Legal
803	Amer Quasar Petroleum	Richard L Lowe (53)	123	6	—	—	129	12	8	Wichita Falls, Tex	Founder
706	Amer Savings & Loan	Morris N Broad (46)	144	2	65	—	211	24	16	Burlington, Vt	Finance
693	American Security	W Jarvis Moody (53)	192	1	23	—	216	17	1	Mineola, NY	Banking
20	American Standard	William A Marquard (61)	705	14	524	920	2,163	28	9	Pittsburgh, Pa	Operations
414	American Stores	Lennie S Skaggs (57)	421	2	5	—	427	36	15	Yakima, Wash	Retailing
139	American Tel & Tel	Charles L Brown (59)	716	5	59	—	780	35	2	Richmond, Va	Operations
519	AmeriTrust	M Brock Weir (59)	326	4	11	—	342	8	8	Wenatchee, Wash	Banking
259	AMF	W Thomas York (47)	545	21	—	—	566	12	3	Archdale, NC	Finance
195	Amfac	Henry A Walker Jr (59)	595	7	53	—	654	33	13	Honolulu, Haw	Operations
512	AMP	Joseph D Brenner (64)	346	—	—	—	346	34	9	Carlisle, Pa	Operations

[1]For FORBES definitions and methodology see page 114.

[2]Succeeded by Edward W. Whittemore, 1/1/81.
[3]Succeeded by John W. Culligan 5/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000)					Years served		Place of birth	Business background
			Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	With co.	As CEO		
738	AmSouth Bancorp	John W Woods (49)	175	20	—	—	195	11	9	Evanston, Ill	Banking
498	Amstar	Robert T Quittmeyer (60)	348	1	8	2	359	25	9	Peekskill, NY	Legal
514	Amsted Industries	[4]Goff Smith (64)	334	10	—	—	343	34	7	Jackson, Tenn	Sales
509	Anderson, Clayton	Thomas J Barlow (59)	311	3	33	—	347	35	14	Houston, Tex	Operations
226	Anheuser-Busch Cos	August A Busch III (44)	606	4	—	—	610	24	6	St Louis, Mo	Operations
787	Apple Computer	[5]Michael M Scott (38)	135	12	—	—	148	4	4	Gainesville, Fla	Technical
343	ARA Services	William S Fishman (65)	479	10	—	—	488	41	6	Clinton, Ind	Founder
387	Archer Danls Midland	Dwayne O Andreas (63)	445	—	—	—	445	10	10	Worthington, Minn	Finance
703	Arizona Bank	Donald B Tostenrud (56)	205	2	5	—	212	21	3	Estherville, Iowa	Banking
750	Arizona Public Serv	Keith L Turley (58)	178	—	4	—	182	29	7	Mesa, Ariz	Administration
225	Ark Louisiana Gas	Edward Sheffield Nelson (40)	274	4	17	315	610	17	8	Keevil, Ark	Legal
104	Armco	Harry Holiday Jr (57)	537	2	140	184	862	32	2	Pittsburgh, Pa	Technical
620	Armstrong World Inds	Harry A Jensen (62)	274	—	—	—	274	40	3	Council Bluffs, Iowa	Marketing
261	ASARCO	Charles F Barber (64)	560	—	5	—	565	25	10	Chicago, Ill	Legal
221	Ashland Oil	Orin E Atkins (57)	591	25	—	—	616	31	16	Pittsburgh, Pa	Legal
345	Associated Dry Goods	William P Arnold (56)	180	56	248	—	484	33	2	Omaha, Neb	Retailing
792	Atlantic Bancorp	Billy J Walker (50)	141	—	—	—	141	32	5	Baker County, Fla	Banking
23	Atlantic Richfield	Robert O Anderson (64)	754	36	371	896	2,057	39	26	Chicago, Ill	Production
542	Auto Data Processing	Frank R Lautenberg (57)	325	—	—	—	325	28	5	Paterson, NJ	Marketing
292	Avco	James R Kerr (63)	510	5	23	—	538	26	11	Las Vegas, NM	Administration
87	Avnet	Anthony R Hamilton (56)	774	12	139	—	925	24	1	North Bergen, NJ	Operations
269	Avon Products	David W Mitchell (53)	547	10	—	—	557	33	5	Pasadena, Cal	Sales
219	Bache Group	Harry A Jacobs Jr (60)	514	3	5	97	619	35	3	New York, NY	Investment
217	Baker International	Earnest H Clark Jr (54)	578	44	—	—	622	34	16	Birmingham, Ala	Technical
511	Baldwin-United	[6]Lucien Wulsin (64)	329	17	—	—	346	42	19	Cincinnati, Ohio	Legal
289	Bally Manufacturing	Robert Mullane (49)	487	45	7	—	539	8	1	Cincinnati, Ohio	Administration
757	Baltimore Gas & Elec	Bernard C Trueschler (58)	173	2	5	—	179	33	1	Baltimore, Md	Technical
592	Banc One	John G McCoy (68)	287	—	—	—	287	44	21	Marietta, Ohio	Finance
543	BanCal Tri-State	Chauncey E Schmidt (50)	310	14	—	—	324	5	5	Oxford, Iowa	Banking
762	Banco Popular PR	Rafael Carrión Jr (66)	134	—	37	—	171	48	24	San Juan, PR	Banking
696	BancOhio	[7]Robert G Stevens (51)	215	—	—	—	215	5	5	Marion, Ill	Banking
729	Bancorp Hawaii	Frank J Manaut (57)	186	14	—	—	201	30	1	Alhambra, Cal	Banking
275	Bank of New York	Elliott Averett (63)	288	190	77	—	554	41	6	Chatham, NJ	Banking
759	Bank of Virginia	Frederick Deane Jr (54)	165	1	11	—	177	27	7	Boston, Mass	Finance
141	BankAmerica	[8]Alden W Clausen (58)	700	9	40	22	770	31	11	Hamilton, Ill	Finance
361	Bankers Trust N Y	Alfred Brittain III (58)	424	—	38	4	466	34	6	Evanston, Ill	Banking
624	Barnett Banks Fla	Charles E Rice (45)	260	—	—	9	270	16	1	Chattanooga, Tenn	Banking
230	Bausch & Lomb	[9]Daniel G Schuman (64)	390	114	—	100	604	21	10	New York, NY	Finance
443	Baxter Travenol Labs	Vernon R Loucks Jr (46)	372	33	—	—	405	15	1	Evanston, Ill	Marketing
735	BayBanks	William M Crozier Jr (48)	180	19	—	—	199	17	6	New York, NY	Banking
215	Beatrice Foods	James L Dutt (56)	593	2	29	—	623	34	1	Topeka, Kan	Administration
425	Beckman Instruments	Arnold O Beckman (81)	398	2	17	—	418	46	41	Cullom, Ill	Founder
300	Becton, Dickinson	Wesley J Howe (60)	426	8	96	—	529	32	6	Jersey City, NJ	Administration
724	Belco Petroleum	Arthur B Belfer (74)	197	7	—	—	204	28	28	Poland	Founder
111	Bendix	William M Agee (43)	687	13	149	—	850	9	4	Boise, Ida	Finance
428	Beneficial Corp	Finn M W Caspersen (39)	379	13	22	—	414	9	4	New York, NY	Legal
490	Bethlehem Steel	Donald H Trautlein (54)	281	7	62	20	370	4	1	Sandusky, Ohio	Finance
527	Big Three Industries	Harry K Smith (69)	333	1	2	—	336	55	25	Pittsburgh, Pa	Administration
530	Black & Decker	Francis P Lucier (53)	307	23	5	—	335	18	6	Boston, Mass	Marketing
633	Blue Bell	L Kimsey Mann (64)	235	1	26	—	262	35	7	La Grange, Ga	Production
705	Boatmen's Bancshs	Donald N Brandin (59)	210	1	—	—	211	25	8	New York, NY	Banking

[1]For FORBES definitions and methodology see page 114.

[4]Succeeded by Robert H. Wellington, 1/20/81.
[5]Succeeded by A.C. Markkula Jr., 3/19/81.
[6]Succeeded by Morley P. Thompson, 1/1/81.
[7]Succeeded by Arthur D. Herrmann, 2/25/81.
[8]Succeeded by Samuel H. Armacost, 4/21/81.
[9]Succeeded by Daniel E. Gill, 4/24/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	As CEO	Place of birth	Business background
38	Boeing	Thornton A Wilson (60)	649	186	12	561	1,409	38	12	Sikeston, Mo	Technical
360	Boise Cascade	John B Fery (51)	373	41	53	—	466	24	8	Bellingham, Wash	Production
169	Borden	Eugene J Sullivan (60)	495	16	191	—	702	35	1	New York, NY	Sales
356	Borg-Warner	James F Beré (58)	416	50	9	—	475	20	9	Chicago, Ill	Production
782	Borman's	Paul Borman (48)	142	—	8	—	149	27	16	Detroit, Mich	Sales
736	Boston Edison	Thomas J Galligan Jr (61)	196	1	—	—	197	27	10	Watertown, Mass	Finance
106	Braniff Intl	[10]Harding L Lawrence (60)	300	32	527	—	859	16	16	Perkins, Okla	Administration
126	Bristol-Myers	Richard L Gelb (57)	797	5	14	—	816	31	9	New York, NY	Administration
741	Broadview Financial	John E Rupert (53)	191	—	—	—	191	27	7	Cleveland, Ohio	Administration
524	Brown-Forman Dist	W L Lyons Brown Jr (44)	306	32	—	—	338	20	5	Louisville, Ky	Marketing
421	Brown Group	W L Hadley Griffin (63)	331	—	—	89	421	34	12	Edwardsville, Ill	Legal
127	Brunswick	K Brooks Abernathy (62)	442	28	346	—	816	19	5	Missoula, Mont	Finance
572	Bucyrus-Erie	Norris K Ekstrom (53)	298	—	1	—	299	19	3	Kiron, Iowa	Finance
212	Burlington Inds	William A Klopman (59)	505	2	120	—	627	35	4	New York, NY	Marketing
308	Burlington Northern	Richard M Bressler (50)	509*	14	—	—	522	1	1	Wayne, Neb	Finance
246	Burroughs	W Michael Blumenthal (55)	580†	8	—	—	588	1	1	Germany	Administration
3	Cabot	Robert A Charpie (55)	799	1,223	1,376	1,309	4,706	12	12	Cleveland, Ohio	Technical
698	California First Bnk	Yasushi Sumiya (53)	180†	30	5	—	215	1	1	Japan	Banking
341	Cameron Iron Works	Myron A Wright (70)	306	3	—	182	491	4	4	Blair, Okla	Administration
718	Campbell Soup	R Gordon McGovern (54)	202	4	1	—	206	25	1	Norristown, Pa	Marketing
502	Campbell Taggart	C B Lane (56)	352	2	—	—	354	34	1	El Paso, Tex	Finance
36	Capital Cities Comm	Thomas S Murphy (56)	368	20	37	1,033	1,458	26	14	Brooklyn, NY	Administration
575	Capital Holding	Thomas C Simons (52)	282	2	12	—	296	3	3	Pasadena, Cal	Insurance
439	Carnation	H Everett Olson (74)	345	—	62	—	407	50	13	Chicago, Ill	Finance
743	Carolina Pwr & Lt	Sherwood H Smith Jr (46)	181	4	5	—	190	16	1	Jacksonville, Fla	Legal
315	Carter Hawley Hale	Philip M Hawley (55)	507	8	—	—	515	23	4	Portland, Ore	Retailing
648	Castle & Cooke	Donald J Kirchhoff (56)	253	—	—	—	253	25	6	St Louis, Mo	Administration
330	Caterpillar Tractor	Lee L Morgan (61)	482	3	19	—	504	35	3	Aledo, Ill	Marketing
136	CBI Industries	Marvin G Mitchell (64)	450	17	325	—	792	42	11	Waycross, Ga	Sales
28	CBS	Thomas H Wyman (51)	1,361	4	292	—	1,657	1	1	St Louis, Mo	Marketing
622	CBT	Walter J Connolly Jr (52)	209	3	24	35	271	20	4	Boston, Mass	Banking
130	Celanese	John D Macomber (53)	525	6	268	5	805	8	3	Rochester, NY	Administration
639	Centex	[11]Frank M Crossen (57)	237	20	—	—	258	24	15	Dallas, Tex	Finance
700	Central & South West	Durwood Chalker (57)	198	—	15	—	213	31	1	Breckenridge, Tex	Technical
602	Central Bancorp	Oliver W Birckhead (59)	165	117	—	—	282[12]	30	9	Brooklyn, NY	Administration
717	Central Bancshares	Harry B Brock Jr (55)	207	—	—	—	207	10	10	Fort Payne, Ala	Founder
768	Central Fidelity Bks	[13]Alvin R Clements (54)	161	—	3	—	164	8	6	Charlottesville, Va	Banking
587	Centl Louisiana Engy	Gale L Galloway (51)	282	10	—	—	292	7	1	Pearsall, Tex	Operations
680	Central Soya	Douglas G Fleming (51)	220	4	—	—	225	27	1	Harvey, Ill	Sales
506	Central Tel & Utils	Robert P Reuss (63)	297	9	43	—	349	8	8	Aurora, Ill	Operations
565	Centran	[14]John A Gelbach (63)	285	18	—	—	302	25	10	Ellwood City, Pa	Finance
412	Cessna Aircraft	Russell W Meyer (48)	376	—	52	—	428	7	6	Davenport, Iowa	Legal
307	Champion Intl	Andrew C Sigler (49)	500	22	1	—	523	24	6	Brooklyn, NY	Sales
557	Charter	Raymond K Mason (54)	249	44	16	—	309	29	18	Jacksonville, Fla	Founder
244	Chase Manhattan	Willard C Butcher (54)	562	—	27	—	589	34	1	Bronxville, NY	Banking
262	Chemical New York	Donald C Platten (62)	525	39	—	—	564	40	8	New York, NY	Banking
321	Chesebrough-Pond's	Ralph E Ward (60)	416	96	—	—	512	34	13	Scotch Plains, NJ	Marketing
224	Chromalloy American	Frank P Nykiel (64)	591	11	9	—	610	21	1	Chicago, Ill	Finance
100	Chrysler	Lee A Iacocca (56)	616	—	252	—	868	2	1	Allentown, Pa	Operations
401	Chubb	Henry U Harder (56)	378	—	58	—	437	32	1	New York, NY	Insurance
754	Cincinnati G & E	William H Dickhoner (59)	161	—	19	—	181	40	5	Cincinnati, Ohio	Technical

*CEO joined company in 1980; salary less than full year.
†Salary annualized.
[1]For FORBES definitions and methodology see page 114.

[10]Succeeded by John J. Casey, 1/7/81.
[11]Office jointly held with Paul R. Seegers.
[12]Figures are for 1979.
[13]Succeeded by Carroll L. Saine, 1/1/81.
[14]Succeeded by Wilson M. Brown Jr., 6/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000)					Years served		Place of birth	Business background
			Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	With co.	As CEO		
176	Cincinnati Milacron	James A D Geier (55)	355	3	172	152	682	30	11	Cincinnati, Ohio	Technical
329	Citicorp	Walter B Wriston (61)	483	24	—	—	507	35	11	Middletown, Conn	Banking
429	Cities Service	[15]Robert V Sellers (54)	395	19	—	—	414	30	9	Bartlesville, Okla	Technical
611	Citizens & Sthrn Ga	Bennett A Brown (52)	230	18	30	—	278	26	3	Kingstree, SC	Banking
686	Citizens Fidelity	J David Grissom (42)	217	—	2	—	219	8	4	Portsmouth, Ohio	Legal
493	City Federal S & L	Gilbert G Roessner (63)	229	85	50	—	364	40	12	Irvington, NJ	Banking
2	City Investing	George T Scharffenberger (62)	569	12	121	4,464	5,166	15	15	Ridgewood, NJ	Operations
405	Clark Equipment	Bert E Phillips (62)	327	15	94	—	436	33	8	Quincy, Ill	Marketing
316	Clark Oil & Refining	Robert G Reed III (53)	492	15	7	—	514	2	2	Cambridge, Mass	Marketing
687	Cleveland Elec Illum	Robert M Ginn (57)	200	12	6	—	218	32	2	Detroit, Mich	Technical
339	Coastal Corp	Oscar S Wyatt Jr (56)	490	1	—	—	491	25	25	Beaumont, Tex	Founder
116	Coca-Cola	[16]J Paul Austin (66)	762	74	—	—	837	31	14	La Grange, Ga	Legal
113	Colgate-Palmolive	Keith Crane (60)	548	15	278	—	841	44	2	New Zealand	Administration
218	Colonial Penn Group	John J MacWilliams (52)	365	24	231	—	620	12	11	Syracuse, NY	Administration
42	Colt Industries	George A Strichman (64)	653	185	375	—	1,213	18	18	Schenectady, NY	Administration
593	Columbia Gas System	W Frederick Laird (61)	270	16	—	—	287	29	1	London, Ohio	Legal
248	Combined Internatl	Clement Stone (53)	547	37	—	—	584	30	8	Evanston, Ill	Insurance
85	Combustion Engnrng	Arthur J Santry Jr (62)	813	—	120	—	933	25	18	Brookline, Mass	Legal
794	Commerce Bancshrs	James M Kemper Jr (59)	131	8	—	—	140	34	14	Kansas City, Mo	Banking
483	Commercial Metals	Stanley A Rabin (43)	325	—	34	14	373	11	2	New York, NY	Administration
699	Commonwlth Edison	James J O'Connor (44)	207	6	—	—	213	17	1	Chicago, Ill	Administration
332	Commonwealth Oil	C Howard Hardesty Jr (59)	500	—	—	—	500	2	2	Fairmont, W Va	Legal
574	Computervision	Martin Allen (50)	281	2	14	—	297	12	12	Des Moines, Iowa	Founder
194	Connecticut General	Robert D Kilpatrick (57)	472	—	185	—	656	27	4	Fairbanks, La	Insurance
52	Conoco	Ralph E Bailey (57)	614	24	—	485	1,123	16	2	Lynnville, Ind	Technical
419	Consolidated Edison	Charles F Luce (63)	235	186	—	—	422	13	13	Platteville, Wisc	Administration
146	Consolidated Foods	John H Bryan Jr (44)	580	9	—	166	755	21	6	West Point, Miss	Administration
539	Consol Freightways	Raymond F O'Brien (59)	393	3	–104	38	329	23	4	Atchison, Kan	Finance
609	Consol Natural Gas	George J Tankersley (60)	265	1	13	—	279	14	2	Ruston, La	Administration
737	Consolidated Papers	George W Mead (53)	197	—	—	—	197	28	15	Milwaukee, Wisc	Operations
599	Consumers Power	John D Selby (59)	276	2	7	—	284	6	3	Odebolt, Iowa	Technical
581	Continental Bank	Roy T Peraino (53)	294	—	—	—	294	23	11	Philadelphia, Pa	Finance
395	Continental Corp	John B Ricker Jr (63)	366	3	18	55	442	42	5	Augusta, Ga	Insurance
283	Continental Group	S Bruce Smart Jr (58)	473	—	53	19	546	28	1	New York, NY	Marketing
174	Continental Illinois	Roger E Anderson (59)	590	26	68	—	684	34	8	Chicago, Ill	Banking
359	Continental Tel	Charles Wohlstetter (71)	428	39	—	—	468	20	9	New York, NY	Finance
203	Control Data	William C Norris (69)	639	—	—	—	639	23	23	Red Cloud, Neb	Founder
61	Cooper Industries	Robert Cizik (50)	563	15	479	—	1,056	19	6	Scranton, Pa	Finance
637	Adolph Coors	William K Coors (64)	258	1	—	—	258	41	20	Golden, Colo	Technical
199	Corning Glass Works	Amory Houghton Jr (54)	435	9	80	121	646	29	17	Corning, NY	Operations
618	Cox Broadcasting	Clifford M Kirtland Jr (57)	273	1	—	—	274	17	7	Buffalo, NY	Finance
110	CPC International	James W McKee Jr (58)	514	10	226	102	852	34	8	Pittsburgh, Pa	Finance
551	Crane	Thomas M Evans (70)	317	—	—	—	317	22	22	Pittsburgh, Pa	Finance
532	Cray Research	John A Rollwagen (40)	120	—	10	204	334	5	1	Minneapolis, Minn	Marketing
231	Crocker National	Thomas R Wilcox (64)	584	17	—	—	602	7	7	New York, NY	Banking
250	Crouse-Hinds	Chris J Witting (66)	425	12	145	—	582[12]	16	16	Cranford, NJ	Administration
477	Crown Central Petrol	Henry A Rosenberg Jr (51)	362	14	—	—	376	28	10	Pittsburgh, Pa	Administration
751	Crown Cork & Seal	John F Connelly (76)	180	2	—	—	182	24	24	Philadelphia, Pa	Sales
437	Crown Zellerbach	Charles R Dahl (59)	370	18	20	—	407	31	11	Brooklyn, NY	Production
294	Crum & Forster	B P Russell (61)	424	9	25	78	536	39	10	Fort Worth, Tex	Insurance
159	CSX	Prime F Osborn III (65)	712	10	—	—	721	29	4	Greensboro, Ala	Legal

[1]For FORBES definitions and methodology see page 114.

[12]Figures are for 1979.

[15]Succeeded by Charles J. Waidelich, 4/28/81.

[16]Succeeded by Roberto C. Goizueta, 3/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
695	Cullen/Frost Bankers	Thomas C Frost (53)	204	12	—	—	215	31	15	San Antonio, Tex	Banking
175	Cummins Engine	Henry B Schacht (46)	478	38	166	—	682	16	11	Erie, Pa	Administration
348	Dana	Gerald B Mitchell (53)	473	8	—	—	481	37	1	Goderich, Can	Operations
109	Dart & Kraft	John M Richman (53)	678	18	159	—	854	26	2	New York, NY	Legal
773	Data General	Edson D deCastro (42)	156	—	—	—	156	13	13	Plainfield, NJ	Founder
17	Datapoint	Harold E O'Kelley (56)	333	9	97	1,882	2,321	8	8	Jacksonville, Fla	Technical
765	Dayton Power & Light	Robert E Frazer (52)	163	6	—	—	169	6	3	Detroit, Mich	Finance
164	Dayton-Hudson	William A Andres (54)	538	18	—	156	713	22	4	Fayette, Iowa	Retailing
449	Dean Witter Reynolds	Andrew J Melton Jr (61)	338	9	51	—	399	8	1	Bay Shore, NY	Investment
406	Deere	William A Hewitt (66)	410	24	—	—	434	32	26	San Francisco, Cal	Marketing
702	DEKALB AgResearch	Thomas H Roberts Jr (57)	181	9	22	—	212	32	19	DeKalb, Ill	Marketing
619	Delhi Intl Oil	Norman C Miller (61)	190	—	84	—	274	26	7	Lyons, Kan	Production
296	Delta Air Lines	David C Garrett Jr (58)	478	2	52	—	533	34	3	Norris, SC	Operations
764	Deluxe Check Printers	Eugene R Olson (55)	144	4	21	—	169	37	3	St Paul, Minn	Marketing
815	Deposit Guaranty	Warren A Hood (64)	70	2	11	—	84	3	1	Copiah County, Miss	Administration
615	Detroit Edison	William G Meese (64)	276	—	—	—	276	40	9	Rugby, ND	Technical
632	DETROITBANK	Rodkey Craighead (64)	255	7	—	—	262	35	3	Pittsburgh, Pa	Banking
549	Diamond Intl	William J Koslo (51)	305	16	—	—	321	26	4	Mt Carmel, Pa	Sales
121	Diamond Shamrock	William H Bricker (49)	640	15	10	166	831	12	4	Detroit, Mich	Marketing
290	Digital Equipment	Kenneth H Olsen (55)	344	195	—	—	539	23	23	Bridgeport, Conn	Founder
216	Dillingham	Herbert C Cornuelle (61)	424	39	160	—	622	11	4	Cincinnati, Ohio	Operations
657	Dillon Companies	Ray E Dillon, Jr (57)	235	—	12	—	247	34	18	Hutchinson, Kan	Administration
391	Walt Disney	E Cardon Walker (65)	258	72	16	97	443	43	4	Rexburg, Ida	Marketing
689	Dominion Bankshares	Byron A Hicks (64)	199	14	—	3	217	35	3	Moneta, Va	Finance
277	Donaldson, Lufkin	Richard H Jenrette (52)	515	—	37	—	551	21	7	Raleigh, NC	Founder
73	R R Donnelley & Sons	Charles W Lake Jr (63)	402	52	199	339	992	35	17	La Porte, Ind	Production
790	Dorchester Gas	George S Rooker (62)	141	2	—	—	142	25	21	Memphis, Tenn	Investment
264	Dover	[17]Thomas C Sutton (60)	415	30	116	—	561	30	17	Longmont, Colo	Sales
192	Dow Chemical	Paul F Oreffice (53)	442	192	—	24	658	28	3	Italy	Finance
205	Dow Jones	Warren H Phillips (55)	416	129	93	—	638	34	6	New York, NY	Journalism
540	Dravo	Robert Dickey III (63)	318	—	11	—	329	33	16	Pittsburgh, Pa	Sales
27	Dresser Industries	John V James (62)	353	5	915	445	1,717	23	11	Plains Township, Pa	Finance
646	Duke Power	Carl Horn Jr (59)	236	3	17	—	256	27	10	Rutherfordton, NC	Legal
30	Dun & Bradstreet	Harrington Drake (61)	600	—	14	1,030	1,645	33	6	Kansas City, Mo	Marketing
99	E I du Pont	[18]Irving S Shapiro (64)	697	175	—	—	873	30	7	Minneapolis, Minn	Legal
748	Duquesne Light	John M Arthur (58)	177	8	—	—	184	36	12	Pittsburgh, Pa	Operations
372	Eastern Air Lines	Frank Borman (53)	335	98	21	—	454	11	5	Gary, Ind	Technical
516	Eastern Gas & Fuel	William J Pruyn (58)	340	3	—	—	343	29	3	Boston, Mass	Finance
163	Eastman Kodak	Walter A Fallon (63)	682	6	25	—	714	39	9	Schenectady, NY	Production
170	Eaton	E Mandell de Windt (60)	563	25	6	108	702	39	11	Grt Barrington, Mass	Operations
367	Jack Eckerd	Stewart Turley (46)	339	14	106	—	460	14	6	Mt Sterling, Ky	Administration
21	EG&G	Bernard J O'Keefe (61)	445	21	—	1,646	2,111	33	16	Providence, RI	Technical
462	El Paso	Travis H Petty (60)	360	26	—	3	389	35	2	Clarksville, Tex	Administration
105	Emerson Electric	Charles F Knight (45)	754	28	80	—	861	8	7	Lake Forest, Ill	Administration
302	Emhart	T Mitchell Ford (60)	485	6	—	37	528	22	11	Albany, NY	Legal
15	Energy Reserves Gp	Richard W Volk (45)	184	7	24	2,123	2,337	8	8	Denver, Colo	Technical
5	Engelhard Minerals	Milton F Rosenthal (67)	1,825	477	1,699	—	4,000	16	16	New York, NY	Administration
235	ENSERCH	William C McCord (53)	400	17	41	141	599	32	10	San Antonio, Tex	Technical
234	Entex	Jackson C Hinds (59)	208	8	6	378	599	12	9	Brownsville, Tex	Legal
747	Equimark	William E Bierer (51)	178	7	—	—	185	12	2	Uniontown, Pa	Banking
805	Equitable Bancorp	Owen Daly II (56)	124	2	—	—	126	16	6	Denver, Colo	Banking

[1]For FORBES definitions and methodology see page 114.

[17]Succeeded by Gary L. Roubos, 1/1/81.
[18]Succeeded by Edward G. Jefferson, 5/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	Years served With co.	As CEO	Place of birth	Business background
797	Equitable of Iowa	Kenneth R Austin (61)	135	1	—	—	136	33	11	Keosauqua, Iowa	Administration
24	Esmark	Donald P Kelly (59)	1,647	314	9	—	1,970	27	3	Chicago, Ill	Finance
444	Ethyl	Floyd D Gottwald Jr (58)	383	22	—	—	404	38	11	Richmond, Va	Administration
260	Evans Products	Monford A Orloff (67)	532	—	—	33	565	23	18	Omaha, Neb	Legal
271	Ex-Cell-O	Edward J Giblin (63)	435	100	22	—	556	27	9	New York, NY	Finance
6	Exxon	Clifton C Garvin Jr (59)	1,043	61	228	2,016	3,348	34	5	Portsmouth, Va	Technical
32	Fairchild Industries	Edward G Uhl (63)	510	44	—	1,021	1,575	20	20	Elizabeth, NJ	Administration
606	Farmers Group	Richard G Lindsley (59)	281	—	—	—	281	30	2	Minneapolis, Minn	Insurance
—	Fed-Mart	Jan W Heydorn (47)	—	—	—	—	NA	1	1	Germany	Administration
576	Federal Express	Frederick W Smith (36)	284	9	2	—	296	10	10	Marks, Miss	Founder
636	Fedl Natl Mortgage	[19]A Oakley Hunter (65)	196	18	45	—	259	11	11	Los Angeles, Cal	Legal
184	Federated Dept Stores	[20]Ralph Lazarus (67)	469	45	157	—	671	46	13	Columbus, Ohio	Administration
814	Felmont Oil	Hadley Case (72)	93	—	3	—	96	30	29	New York, NY	Technical
510	Fidelcor	Raymond J Dempsey (46)	269	18	60	—	347	2	2	Yonkers, NY	Banking
684	Fidelity Financial	Adolph C Meyer Jr (56)	206	15	—	—	220	18	12	Oakland, Cal	Sales
692	Fidelity Union Bncp	Peter Cartmell (60)	202	1	13	—	216	35	1	Scotland	Banking
772	Fin Cp Santa Barbara	David L Tilton (54)	156	2	—	—	158	29	15	Santa Barbara, Cal	Finance
531	Fin Corp of America	Charles W Knapp (47)	315	—	19	—	334	8	6	Honolulu, Haw	Finance
742	Financial Federation	Edward L Johnson (71)	188	3	—	—	191	21	21	Chicago, Ill	Finance
804	Financial General	J William Middendorf II (56)	123	—	5	—	129	4	4	Baltimore, Md	Finance
475	Firestone	John J Nevin (54)	374	—	2	—	377	1	1	Jersey City, NJ	Marketing
673	First Alabama Bshs	Frank A Plummer (69)	206	27	—	—	234	16	10	Richland, NY	Finance
663	First American	Kenneth L Roberts (48)	208	2	29	—	240	5	4	Dungannon, Va	Banking
716	First American Bank	James H Duncan (56)	207	—	—	—	208	31	11	Madison, Wisc	Banking
679	First & Merchants	C Coleman McGehee (56)	214	12	—	—	225	32	7	Franklin, Va	Banking
415	First Atlanta	Thomas R Williams (52)	300	19	29	78	426	8	5	Atlanta, Ga	Banking
487	First Bank System	Donald R Grangaard (62)	371	—	—	—	371	42	12	Rothsay, Minn	Administration
103	First Boston	George L Shinn (58)	525	—	338	—	863	6	6	Newark, Ohio	Administration
678	First Charter Finl	S Mark Taper (79)	225	—	—	—	225	25	26	England	Founder
268	First Chicago	Barry F Sullivan (50)	525†	33	—	—	558	1	1	Bronx, NY	Banking
334	First City Bancorp	James A Elkins Jr (62)	398	14	87	—	500	39	18	Galveston, Tex	Banking
778	First Empire State	Claude F Shuchter (58)	151	—	—	—	151	22	4	Chicago, Ill	Banking
817	First Florida Banks	Chester H Ferguson (72)	[21]	—	—	—	3	9	9	Americus, Ga	Legal
501	First Hawaiian	John D Bellinger (58)	230	23	102	—	355	39	11	Honolulu, Haw	Banking
186	First Intl Bshs	Elvis L Mason (47)	439	29	143	53	664	7	1	Vivian, La	Banking
237	First Interstate[22]	Joseph J Pinola (56)	422	6	65	104	597	5	3	Pittston, Pa	Banking
677	First Kentucky Natl	A Stevens Miles (51)	219	8	—	—	227	27	6	Louisville, Ky	Banking
701	First Maryland Bncp	J Owen Cole (52)	210	2	—	—	212	24	7	Rutherfordton, NC	Administration
513	First Mississippi	J Kelley Williams (47)	263	83	—	—	346	14	9	Bentonia, Miss	Technical
719	First Natl Bancorp	Theodore D Brown (59)	182	1	24	—	206	11	4	Denver, Colo	Banking
399	First Natl Boston	Richard D Hill (61)	331	32	75	—	438	35	9	Salem, Mass	Banking
712	First Natl Charter	Gordon E Wells (53)	205	5	—	—	210	29	4	Hamburg, Iowa	Banking
710	First National Cinc	William N Liggett (64)	210	—	—	—	210	33	10	Ripley, Ohio	Finance
688	First Natl State Bcp	Robert R Ferguson Jr (57)	218	—	—	—	218	31	8	Savannah, Ga	Banking
734	First Natl Supermkts	Richard J Bogomolny (46)	197	2	—	—	199	8	6	Cleveland, Ohio	Administration
809	First Oklahoma Bncp	[23]Charles A Vose (80)	113	—	7	—	120	60	22	Clinton, Iowa	Finance
690	First Pennsylvania	George A Butler (53)	208	9	—	—	216	31	1	Westmont, NJ	Banking
603	First Security	George S Eccles (81)	256	25	—	—	282	59	35	Baker, Ore	Founder
628	First Tennessee Natl	Ronald A Terry (50)	251	15	—	—	266	24	7	Memphis, Tenn	Banking
504	First Union Bancorp	Clarence C Barksdale (49)	340	8	—	4	352	22	3	St Louis, Mo	Banking
488	First Union	C Clifford Cameron (61)	274	22	75	—	371	17	14	Meridian, Miss	Banking

†Salary annualized.
[1]For FORBES definitions and methodology see page 114.
NA: not available.

[19]Succeeded by David Q. Maxwell, 5/21/81.
[20]Succeeded by Howard Goldfeder, 2/1/81.
[21]Director's fees only; excludes fees paid to law firm of which Mr. Ferguson is a partner.
[22]Formerly Western Bancorp.
[23]Succeeded by Charles A. Vose Jr., 1/20/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
586	First United Bancorp	Paul W Mason (60)	281	—	11	—	292	19	11	Wichita, Kan	Banking
715	First Wisconsin	Hal C Kuehl (58)	199	9	—	—	208	33	3	Davenport, Iowa	Banking
554	Fisher Foods	[24]Dominick DiMatteo Jr (63)	310	4	—	—	314	56	6	Chicago, Ill	Retailing
683	Flagship Banks	Philip F Searle (56)	180	—	22	20	222	6	6	Kansas City, Mo	Banking
486	Fleming Companies	Richard D Harrison (58)	317	14	40	—	371	27	15	Salt Lake City, Utah	Legal
463	Flickinger	[25]Robert F Norris (59)	333	—	56	—	389	8	6	Mullinville, Kan	Administration
816	Florida Natl Banks	[26]Richard E Ehlis (64)	73	2	—	—	75	40	1	Lancaster, Ohio	Banking
753	Florida Power	Andrew H Hines Jr (58)	169	—	12	—	181	29	8	Lake City, Fla	Technical
368	Florida Power & Lt	Marshall McDonald (63)	260	14	185	—	459	9	9	Memphis, Tenn	Finance
72	Fluor	J Robert Fluor (59)	771	16	210	—	997	35	13	Santa Ana, Cal	Finance
355	FMC	Robert H Malott (54)	464	—	12	—	476	28	9	Boston, Mass	Operations
497	Food Fair	Grant C Gentry (57)	360	—	—	—	360	2	2	Chicago, Ill	Legal
426	Ford Motor	Philip Caldwell (61)	400	7	10	—	417	28	1	Bourneville, Ohio	Administration
311	Foremost-McKesson	Thomas E Drohan (53)	408	2	18	93	520	19	3	Newton, Mass	Operations
496	Fort Howard Paper	Paul J Schierl (46)	267	39	16	39	360	17	6	Neenah, Wisc	Legal
362	Foster Wheeler	Frank A Lee (57)	268	93	104	—	465	21	10	Greenville, Pa	Technical
638	Foxboro	Earle W Pitt (58)	247	11	—	—	258	33	8	New York, NY	Sales
112	Freeport Minerals	Paul W Douglas (54)	540	17	288	—	846	28	5	Springfield, Mass	Marketing
402	Fruehauf	Robert D Rowan (59)	426	26	-16	—	436	25	7	Holland, Mich	Finance
122	Fuqua Industries	John B Fuqua (63)	805	18	—	—	823	15	15	Prince Edw Cnty, Va	Founder
40	Gannett	Allen H Neuharth (57)	521	40	83	670	1,315	18	8	Eureka, SD	Journalism
407	GATX	James J Glasser (47)	387	2	44	—	433	19	2	Chicago, Ill	Legal
582	Gearhart Industries	Marvin Gearhart (54)	252	12	29	—	294	26	6	Erie, Kan	Founder
14	GEICO	John J Byrne (48)	783	81	113	1,397	2,374	5	5	Paterson, NJ	Insurance
267	Gelco	N Bud Grossman (60)	291	11	105	152	560	24	24	Minneapolis, Minn	Founder
694	General American Oil	William P Barnes (61)	188	28	—	—	216	28	3	Marlin, Tex	Legal
9	General Dynamics	David S Lewis (63)	455	9	—	2,557	3,021	10	10	N Augusta, SC	Administration
44	General Electric	[27]Reginald H Jones (63)	1,000	52	—	151	1,203	41	8	England	Operations
150	General Foods	James L Ferguson (55)	485	9	250	—	743	18	7	Evanston, Ill	Marketing
319	General Instrument	Frank G Hickey (53)	506	8	—	—	513	16	6	Stevens Pt, Wisc	Marketing
181	General Mills	[28]E Robert Kinney (64)	540	38	96	—	674	26	5	Burnham, Me	Administration
418	General Motors	[29]Thomas A Murphy (65)	400	22	—	—	422	43	6	Hornell, NY	Finance
675	General Public Utils	William G Kuhns (59)	230	1	—	—	231	25	14	Milwaukee, Wisc	Finance
229	General Re	Harold J Hudson Jr (57)	418	5	184	—	606	25	10	Kansas City, Mo	Legal
265	General Signal	Nathan R Owen (62)	545	16	—	—	561	20	19	Burnt Hills, NY	Technical
201	General Tel & Elec	Theodore F Brophy (58)	627	17	—	—	644	23	5	New York, NY	Legal
533	Genl Tire & Rubber	Michael G O'Neil (59)	321	8	4	—	333	35	21	Akron, Ohio	Administration
640	Genuine Parts	Wilton D Looney (62)	246	12	—	—	258	42	19	Vanna, Ga	Operations
452	Georgia-Pacific	Robert E Flowerree (60)	344	18	35	—	397	29	4	New Orleans, La	Operations
95	Geosource	John D Platt (50)	360	1	—	519	880	2	2	Kingston, Pa	Technical
318	Getty Oil	Sidney R Petersen (50)	476	37	—	—	513	26	1	Oakland, Cal	Finance
546	Giant Food	Israel Cohen (68)	309	6	7	—	321	45	3	Israel	Founder
730	Gibraltar Financial	Herbert J Young (49)	201	—	—	—	201	28	12	Los Angeles, Cal	Administration
384	Gillette	Colman M Mockler Jr (51)	402	3	44	—	449	23	6	St Louis, Mo	Finance
558	Girard	William B Eagleson Jr (55)	285	—	24	—	309	29	6	Philadelphia, Pa	Finance
26	GK Technologies	Robert P Jensen (55)	1,636	115	100	—	1,851	8	8	Chicago, Ill	Technical
485	Global Marine	C Russell Luigs (48)	348	25	—	—	373	4	4	Evansville, Ind	Technical
704	Golden West Finl	[30]Herbert M Sandler (49)	212	—	—	—	212	17	17	New York, NY	Founder
455	B F Goodrich	John D Ong (47)	372	7	16	—	395	20	1	Ulrichsville, Ohio	Legal
117	Goodyear	Charles J Pilliod Jr (62)	759	—	77	—	835	40	7	Cuyahoga Falls, Ohio	Sales
279	Gould	William T Ylvisaker (57)	478	42	31	—	551	13	13	St Paul, Minn	Administration

[1]For FORBES definitions and methodology see page 114.

[24]Shares "Office of the President" with R.G. Everett & C. Fazio.
[25]Succeeded by Jerry D. Metcalf, 2/11/81.
[26]Succeeded by George C. Whitner Jr., 2/21/81.
[27]Succeeded by John F. Welch Jr., 4/1/81.
[28]Succeeded by H. Brewster Atwater Jr., 4/1/81.
[29]Succeeded by Robert B. Smith, 1/1/81.
[30]Office jointly held with Marion O. Sandler.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	Years served With co.	As CEO	Place of birth	Business background
53	W R Grace	J Peter Grace (68)	678	71	—	365	1,114	44	35	Manhasset, NY	Finance
552	W W Grainger	David W Grainger (53)	277	2	37	—	316	31	7	Chicago, Ill	Administration
171	Great Atl & Pac Tea	James Wood (51)	700	—	—	—	700	1	1	England	Retailing
520	Gt Northern Nekoosa	Robert Hellendale (63)	317	—	7	16	341	27	2	New York, NY	Legal
382	Gt Western Financial	James F Montgomery (46)	280	3	8	158	450	5	2	Topeka, Kan	Finance
280	Greyhound	Gerald H Trautman (68)	430	5	113	—	548	35	15	Petoskey, Mich	Legal
478	Grumman	John C Bierwirth (57)	315	5	22	33	375	8	6	Lawrence, NY	Finance
155	Gulf & Western Inds	Charles G Bluhdorn (54)	716	7	10	—	733	25	25	Austria	Founder
47	Gulf Oil	Jerry McAfee (64)	742	14	40	364	1,160	36	5	Port Arthur, Tex	Operations
630	Gulf States Utils	W Donham Crawford (58)	242	10	12	—	264	3	3	Little Rock, Ark	Administration
58	Gulf United	E Grant Fitts (65)	550	45	164	305	1,064	13	13	Montevallo, Ala	Legal
70	Halliburton	John P Harbin (63)	603	206	194	—	1,003	32	9	Waxahachie, Tex	Finance
538	Hammermill Paper	Albert F Duval (60)	311	11	8	—	330	21	10	Holyoke, Mass	Marketing
559	Harris Bankcorp	Charles M Bliss (59)	285	23	—	—	308	37	3	Evanston, Ill	Banking
35	Harris Corp	Joseph A Boyd (60)	521	—	521	439	1,481	19	3	Oscar, Ky	Technical
434	Harsco	Jeffrey J Burdge (59)	293	4	106	6	409	27	4	England	Finance
608	Hartford Natl	Robert L Newell (58)	230	9	41	—	280	35	5	Hartford, Conn	Banking
134	H J Heinz	Anthony J F O'Reilly (45)	576	10	208	—	794	12	1	Ireland	Legal
562	Walter E Heller Intl	Franklin A Cole (55)	300	5	—	—	305	18	10	Park Falls, Wisc	Legal
760	Helmerich & Payne	Walter H Helmerich III (58)	161	8	6	—	175	32	20	Tulsa, Okla	Administration
232	Hercules	Alexander F Giacco (61)	525	23	38	14	601	39	3	Italy	Technical
450	Hershey Foods	William E C Dearden (58)	300	—	97	—	397	23	5	Philadelphia, Pa	Sales
189	Heublein	Hicks B Waldron (57)	581	3	78	—	662	8	1	Amsterdam, NY	Technical
366	Hewlett-Packard	John A Young (49)	402	1	60	—	462	22	3	Nampa, Ida	Technical
420	Hilton Hotels	Barron Hilton (53)	410	11	—	—	421	26	15	Dallas, Tex	Administration
236	Holiday Inns	[31]Roy E Winegardner (60)	382	8	207	—	598	7	2	Springfield, Mo	Administration
661	Homestake Mining	Harry M Conger (50)	231	9	—	—	241	5	2	Seattle, Wash	Technical
50	Honeywell	Edson W Spencer (55)	595	—	548	—	1,143	26	6	Chicago, Ill	Sales
457	George A Hormel	Ira J Holton (61)	393	1	—	—	394	34	9	Cedar Rapids, Iowa	Legal
445	Hospital Corp of Am	Donald S MacNaughton (63)	400	2	—	—	402	2	2	Schenectady, NY	Insurance
709	Hospital Trust	Henry S Woodbridge Jr (52)	209	1	—	—	210	26	6	Boston, Mass	Finance
140	Household Finance	Gilbert R Ellis (65)	724	47	—	—	771	46	8	Powersville, Mo	Operations
635	Houston Industries	Don D Jordan (49)	238	20	2	—	260	24	4	Corpus Christi, Tex	Legal
446	Houston Natural Gas	Robert R Herring (60)	391	—	11	—	402	23	13	Childress, Tex	Technical
114	Houston Oil & Min	F Fox Benton Jr (42)	297	—	34	510	841	14	2	Houston, Tex	Finance
12	Hughes Tool	James R Lesch (59)	418	89	65	2,058	2,630	34	1	Apache, Okla	Administration
284	Humana	David A Jones (49)	505	30	10	—	545	19	19	Louisville, Ky	Founder
584	Huntington Bshs	[32]Arthur D Herrmann (54)	271	—	—	21	293	30	5	Louisville, Ky	Banking
138	E F Hutton Group	Robert M Fomon (56)	760	3	23	—	786	30	10	Chicago, Ill	Investment
120	IC Industries	William B Johnson (62)	626	21	186	—	832	15	15	Salisbury, Md	Legal
731	Idaho First Natl Bk	Thomas C Frye (62)	200	—	—	—	200	43	11	Ontario, Ore	Banking
494	Ideal Basic Inds	John A Love (64)	225	6	131	—	362	7	6	Gibson City, Ill	Legal
746	Illinois Power	Wendell J Kelley (55)	175	4	7	—	186	31	14	Champaign, Ill	Technical
650	Imperial Corp of Am	E Michael Lallinger (65)	253	—	—	—	253	24	1	St. Louis, Mo	Banking
96	INA	Ralph S Saul (59)	541	50	180	109	879	6	6	Brooklyn, NY	Legal
621	Indiana National	[33]Thomas W Binford (57)	210	2	60	—	271	5	5	Indianapolis, Ind	Administration
795	Indianapolis Pwr & Lt	Zane G Todd (57)	133	2	3	—	137	30	5	Hanson, Ky	Operations
537	Industrial National	John J Cummings Jr (58)	294	6	32	—	331	34	10	Providence, RI	Finance
691	Indust Valley Bank	Joseph A Gallagher (53)	211	2	3	—	216	22	1	Philadelphia, Pa	Banking
796	Inexco Oil	Erving Wolf (55)	137	—	—	—	137	13	13	Kimball, Neb	Founder
78	Ingersoll-Rand	[34]William L Wearly (65)	796	43	35	84	957	18	13	Warren, Ind	Sales

[1]For FORBES definitions and methodology see page 114.

[31]Succeeded by Michael D. Rose, 5/1/81.
[32]Succeeded by Frank Wobst, 2/26/81.
[33]Succeeded by Thomas M. Miller, 4/29/81.
[34]Succeeded by Thomas A. Holmes, 1/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
396	Inland Steel	Frederick G Jaicks (62)	430	—	11	—	441	40	9	Chicago, Ill	Production
534	Intel	Gordon E Moore (52)	296	37	—	—	333	12	6	San Francisco, Cal	Founder
346	Interco	William L Edwards Jr (62)	400	—	84	—	484	11	5	Pittsburgh, Pa	Finance
442	Interlake	Reynold C MacDonald (62)	360	24	21	—	405	14	12	Billings, Mont	Operations
45	IBM	[35]Frank T Cary (60)	871	303	—	—	1,174	33	8	Gooding, Ida	Marketing
523	Intl Flavors & Frag	Henry G Walter Jr (70)	331	8	—	—	339	18	18	New York, NY	Legal
37	Intl Harvester	Archie R McCardell (54)	865	65	484	—	1,414	3	3	Hazel Park, Mich	Finance
83	Intl Minerals & Chem	Richard A Lenon (60)	592	36	318	—	945	13	10	Lansing, Mich	Finance
336	Intl Multifoods	William G Phillips (61)	428	27	—	41	497	12	12	Cleveland, Ohio	Finance
152	International Paper	Edwin A Gee (61)	590	82	70	—	742	3	1	Washington, DC	Technical
46	Intl Tel & Tel	Rand V Araskog (50)	886	129	154	—	1,170	15	1	Fergus Falls, Minn	Administration
297	InterNorth	Sam F Segnar (53)	375	18	94	45	532	20	1	Hope, Ark	Technical
529	Iowa Beef Processors	Robert L Peterson (48)	325	4	8	—	336	10	1	Hartington, Neb	Operations
291	Irving Bank	Gordon T Wallis (61)	538	—	—	—	538	4[illegible]	10	Salt Lake City, Utah	Finance
228	IU International	John Gilray Christy (48)	563	38	—	[illegible]	608	9	1	Silver Creek, NY	Finance
588	Jefferson-Pilot	W Roger Soles (60)	290	2	—	—	292	34	13	Whiteville, NC	Investment
135	Jewel Companies	Weston R Christopherson (56)	354	59	238	142	793	30	1	Walum, ND	Retailing
380	Jim Walter	James W Walter (58)	419	—	31	—	450	35	35	Lewes, Del	Founder
353	Johns-Manville	John A McKinney (57)	437	15	25	—	476	29	4	Huntsville, Tex	Legal
119	Johnson & Johnson	James E Burke (56)	579	135	120	—	833	28	4	Rutland, Vt	Marketing
288	Joy Manufacturing	James W Wilcock (63)	402	3	92	44	540	15	13	Dayton, Ohio	Marketing
377	K mart	Bernard M Fauber (58)	450	[illegible]	—	—	452	39	1	Botetourt Cnty, Va	Retailing
251	Kaiser Alum & Chem	Cornell C Maier (56)	580	—	—	—	580	31	8	Herreid, SD	Operations
456	Kaiser Steel	Roland A Kjelland (56)	385	9	—	—	394	31	1	Valley City, ND	Finance
98	Kaneb Services	James R Whatley (55)	371	—	503	—	875	26	14	Pittsburg, Tex	Administration
810	Kansas City Pwr & Lt	Arthur J Doyle (58)	117	1	—	—	118	8	1	Boston, Mass	Legal
358	Kellogg	William E LaMothe (54)	450	8	11	—	469	30	2	Brooklyn, NY	Marketing
739	Kemper	Joseph E Luecke (54)	187	5	—	—	192	29	2	Philadelphia, Pa	Insurance
31	Kennecott	Thomas D Barrow (56)	615	574	437	—	1,626	2	2	San Antonio, Tex	Technical
468	Kerr-McGee	Dean A McGee (77)	375	—	9	—	384	44	27	Humboldt, Kan	Production
594	Key Banks	Victor J Riley Jr (49)	268	—	18	—	286	17	7	Buffalo, NY	Finance
125	Kidde	Fred R Sullivan (66)	739	82	—	—	821	17	17	Fort Wayne, Ind	Finance
161	Kimberly-Clark	Darwin E Smith (55)	559	—	158	—	717	23	9	Garrett, Ind	Legal
460	Knight-Ridder News	Alvah H Chapman Jr (60)	388	4	—	—	391	21	5	Columbus, Ga	Administration
631	Koppers	Fletcher L Byrom (62)	250	7	6	—	263	33	13	Cleveland, Ohio	Production
241	Kroger	Lyle Everingham (55)	589	3	—	—	593	34	3	Flint, Mich	Retailing
286	Lear Siegler	Robert T Campion (60)	507	13	—	23	544	23	10	Minneapolis, Minn	Finance
403	Levi Strauss	Peter E Haas (62)	397	39	—	—	436	35	5	San Francisco, Cal	Operations
654	Libbey-Owens-Ford	Don T McKone (59)	250	—	—	—	251	32	2	Jackson, Mich	Administration
293	Liberty National	John W McLean (59)	173	7	40	318	538	13	13	Okmulgee, Okla	Banking
666	Liberty Natl Ins Hld	Frank P Samford Jr (60)	201	37	—	—	238	33	14	Montgomery, Ala	Legal
198	Eli Lilly	Richard D Wood (54)	499	105	—	45	648	31	8	Brazil, Ind	Marketing
573	Lincoln First Banks	Alexander D Hargrave (61)	267	—	31	—	299	18	7	Canandaigua, NY	Legal
535	Lincoln National	Ian M Rolland (48)	304	2	27	—	333	25	4	Ft Wayne, Ind	Insurance
258	Litton Industries	Charles B Thornton (67)	534	33	—	—	567	27	27	Knox County, Tex	Founder
301	Lockheed	Roy A Anderson (60)	358	18	13	139	528	24	3	Ripon, Cal	Finance
392	Loews	Laurence A Tisch (58)	431	12	—	—	443	21	20	Brooklyn, NY	Finance
431	Lone Star Industries	James E Stewart (59)	388	25	—	—	413	28	3	Minneapolis, Minn	Administration
755	Long Island Lighting	Charles R Pierce (59)	180	1	—	—	181	31	3	Bar Harbor, Me	Legal
256	Louisiana Land	John G Phillips (58)	460	57	54	—	570	29	9	Camden, Ark	Finance
394	Louisiana-Pacific	Harry A Merlo (56)	353	53	37	—	442	31	7	Stirling City, Cal	Marketing

[1]For FORBES definitions and methodology see page 114.

[35]Succeeded by John R. Opel, 1/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
107	LTV	W Paul Thayer (61)	785	60	13	—	858	32	10	Henryetta, Okla	Sales
158	Lubrizol	Lester E Coleman (50)	374	—	229	120	723	26	3	Akron, Ohio	Technical
411	Lucky Stores	C Donley Ritchey (47)	428	—	—	—	429	29	1	Derry Township, Pa	Operations
177	M/A-Com	Dr Lawrence Gould (50)	301	219	160	—	681	27	6	Boston, Mass	Technical
285	R H Macy	Edward S Finkelstein (56)	368	20	46	111	545	32	1	New Rochelle, NY	Retailing
220	Mallinckrodt	[36]Harold E Thayer (69)	406	18	193	—	617	41	15	Rochester, NY	Administration
591	Malone & Hyde	Joseph R Hyde III (38)	288	—	—	—	288	16	12	Memphis, Tenn	Administration
243	Mfrs Hanover	John F McGillicuddy (50)	492	10	87	—	590	22	2	Harrison, NY	Legal
607	Manufacturers Natl	Dean E Richardson (53)	280	—	—	—	280	27	8	West Branch, Mich	Banking
310	MAPCO	Willis H Thompson Jr (47)	504	3	13	—	521	4	1	Minneapolis, Minn	Operations
242	Marathon Oil	Harold D Hoopman (60)	568	24	—	—	592	34	5	Lucas, Kan	Production
779	Marine	George R Slater (57)	148	3	—	—	151	5	3	Indianapolis, Ind	Banking
408	Marine Midland Bks	Edward W Duffy (55)	421	12	—	—	432	28	7	Utica, NY	Banking
331	Marriott	J Willard Marriott Jr (49)	430	14	59	—	503	25	8	Washington, DC	Administration
183	Marsh & McLennan	John M Regan Jr (60)	488	39	145	—	672	35	8	Minneapolis, Minn	Insurance
617	Marshall & Ilsley	John A Puelicher (60)	162	6	107	—	275	35	23	Milwaukee, Wisc	Banking
383	Marshall Field	Angelo R Arena (53)	439	10	—	—	449	3	3	Lynn, Mass	Retailing
97	Martin Marietta	J Donald Rauth (63)	592	109	178	—	879	40	8	Pitman, NJ	Technical
672	Maryland National	Robert D H Harvey (60)	231	—	1	1	234	35	17	Baltimore, Md	Finance
317	Masco	Richard A Manoogian (44)	496	18	—	—	514	23	13	Long Branch, NJ	Administration
245	May Dept Stores	David C Farrell (48)	438	64	86	—	588	25	2	Chicago, Ill	Retailing
484	Oscar Mayer	Jerry M Hiegel (54)	324	8	40	—	373	34	1	Davenport, Iowa	Marketing
480	MCA	Lew R Wasserman (68)	330	44	—	—	374	44	34	Cleveland, Ohio	Sales
137	McDermott	James E Cunningham (58)	666	108	13	—	787	23	2	Cresco, Iowa	Technical
436	McDonald's	Fred L Turner (48)	375	3	30	—	408	24	7	Des Moines, Iowa	Operations
422	McDonnell Douglas	Sanford N McDonnell (58)	357	49	14	—	420	32	9	Little Rock, Ark	Technical
108	McGraw-Edison	Edward J Williams (58)	481	110	185	80	856	9	8	St Louis, Mo	Finance
320	McGraw-Hill	Harold W McGraw Jr (63)	347	34	132	—	512	34	6	New York, NY	Operations
783	MCI Communications	William G McGowan (54)	142	4	3	—	149	12	12	Ashley, Pa	Technical
798	McRae Consol Oil&Gas	David Kelley (45)	119	—	16	—	135	13	1	San Antonio, Tex	Technical
347	Mead	[37]James W McSwiney (65)	475	7	—	—	482	47	1	McEwen, Tenn	Administration
563	Medtronic	Dale R Olseth (51)	242	17	31	14	303	5	5	St James, Minn	Administration
254	Mellon National	[38]James H Higgins (65)	551	11	13	—	575	30	6	Kansas City, Mo	Banking
165	Melville	Francis C Rooney Jr (59)	459	2	79	172	712	28	17	N Brookfield Mass	Retailing
528	Mercantile Bancorp	Donald E Lasater (55)	309	8	20	—	336	22	10	St Louis, Mo	Legal
424	Mercantile Stores	Leon F Winbigler (55)	399	21	—	—	419	32	6	Brookfield, Mo	Retailing
239	Mercantile Texas	Gene H Bishop (51)	329	—	26	240	594	6	6	Forest, Miss	Banking
726	Merchants National	Otto N Frenzel III (50)	202	1	—	—	203	26	8	Indianapolis, Ind	Banking
182	Merck	John J Horan (60)	569	1	103	—	673	29	5	New York, NY	Legal
80	Merrill Lynch	[39]Donald T Regan (62)	955	—	—	—	955	35	10	Cambridge, Mass	Investment
1	Mesa Petroleum	Thomas B Pickens Jr (53)	416	169	45	7,236	7,866	24	24	Holdenville, Okla	Founder
400	MGIC Investment	Max H Karl (71)	348	9	80	—	438	24	24	Milwaukee, Wisc	Founder
614	Michigan National	Stanford C Stoddard (50)	242	25	10	—	277	27	9	Salt Lake City, Utah	Finance
578	Middle South Utils	Floyd W Lewis (55)	279	16	—	—	295	31	9	Lincoln County, Miss	Legal
364	Midiantic Banks	Robert Van Buren (56)	315	15	133	—	463	10	4	Plainfield, NJ	Banking
309	Minn Mining & Mfg	Lewis W Lehr (60)	522	—	—	—	522	34	2	Elgin, Neb	Technical
207	Missouri Pacific	Downing B Jenks (65)	632	—	5	—	637	20	9	Portland, Ore	Operations
274	Mitchell Energy & Dev	George P Mitchell (62)	483	1	71	—	554	35	22	Galveston, Tex	Founder
34	Mobil	Rawleigh Warner Jr (60)	1,455	26	—	—	1,481	27	11	Chicago, Ill	Finance
390	Monsanto	John W Hanley (59)	433	15	–5	—	444	8	8	Parkersburg, W Va	Marketing
238	J P Morgan	Lewis T Preston (54)	595	—	—	—	595	30	1	New York, NY	Banking

[1]For FORBES definitions and methodology see page 114.

[36]Succeeded by Raymond F. Bentele, 2/10/81.
[37]Succeeded by C. Greene Garner, 1/1/81.
[38]Succeeded by J. David Barnes, 3/1/81.
[39]Succeeded by Roger E. Birk, 1/22/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
448	Morrison-Knudsen	William H McMurren (53)	334	—	65	—	399	26	9	Ontario, Ore	Operations
799	Motorola	Robert W Galvin (58)	125	10	—	—	135	37	21	Marshfield, Wisc	Administration
472	Murphy Oil	Charles H Murphy Jr (61)	284	—	95	—	380	31	31	El Dorado, Ark	Founder
281	Nabisco	Robert M Schaeberle (58)	429	—	118	—	547	34	7	Newark, NJ	Finance
298	Nalco Chemical	Orell T Collins (58)	353	24	153	—	530	25	2	Letcher County, Ky	Sales
157	National Can	Frank W Considine (59)	428	35	28	232	724	19	8	Chicago, Ill	Sales
707	Natl Central Financl	Wilson D McElhinny (51)	172	—	30	9	210	17	6	Detroit, Mich	Banking
467	National City	[40]Claude M Blair (68)	220	—	151	15	386	14	9	Columbia, Tenn	Legal
75	National Distillers	Drummond C Bell (65)	457	—	87	444	988	24	10	Baltimore, Md	Finance
423	National Gypsum	Robert E Scifres (63)	390	9	1	19	419	39	3	Lafayette, Ind	Operations
16	Natl Medical Entrprs	Richard K Eamer (53)	443	273	—	1,620	2,337	12	12	Long Beach, Cal	Founder
652	Natl Semiconductor	Charles E Sporck (53)	210	6	36	—	252	14	14	Saranac Lake, NY	Production
482	National Steel	Howard M Love (51)	350	15	8	—	373	25	1	Pittsburgh, Pa	Operations
733	National Tea	Valdyn W Schulz (52)	199	—	—	—	199	7	5	Edgeley, ND	Administration
758	Nationwide	Dean W Jeffers (64)	176	—	1	—	177	41	9	Woodsfield, Ohio	Marketing
328	Natomas	Dorman L Commons (63)	478	30	—	—	508	8	7	Denair, Cal	Finance
440	NBD Bancorp	Robert M Surdam (63)	401	5	—	—	407	34	13	Albany, NY	Finance
507	NCNB	Thomas I Storrs (62)	331	15	—	2	348	20	7	Nashville, Tenn	Banking
148	NCR	William S Anderson (62)	535	2	168	41	746	35	7	China	Marketing
744	New England Electric	Guy W Nichols (55)	183	3	2	—	188	33	9	Colchester, Vt	Administration
725	New England Merch	Roderick M MacDougall (55)	200	3	—	—	203	7	2	New York, NY	Banking
793	N Y State Elec & Gas	Charles F Kennedy (66)	140	—	—	—	140	7	4	Elmira, NY	Technical
375	Newmont Mining	Plato Malozemoff (71)	450	—	3	—	452	35	27	Russia	Administration
749	Niagara Mohawk Pwr	John G Haehl Jr (58)	177	—	5	—	182	19	8	Brooklyn, NY	Finance
270	NICOR	Clarence J Gauthier (59)	392	105	60	—	557	35	10	Houghton, Mich	Technical
8	NL Industries	Ray C Adam (61)	662	22	247	2,162	3,093	9	6	Aquilla, Tex	Administration
453	NLT	Russell L Wagner (65)	377	18	—	—	395	41	3	Marengo, Iowa	Insurance
427	Noble Affiliates	Roy Butler (55)	270	14	—	132	415	25	1	Rising Star, Tex	Operations
312	Norfolk & Western Ry	John P Fishwick (64)	486	21	12	—	519	35	11	Roanoke, Va	Legal
344	North Amer Philips	Pieter C Vink (61)	475	10	—	—	485	16	12	The Netherlands	Marketing
713	Northeast Utilities	Lelan F Sillin Jr (63)	209	—	—	—	209	13	11	Tampa, Fla	Legal
627	No Calif Savings	Firmin A Gryp (53)	215	—	—	51	266	29	11	Monterey, Cal	Administration
777	No Indiana Pub Svc	Edmund A Schroer (53)	152	—	—	—	152	4	4	Hammond, Ind	Legal
723	No States Power	Donald W McCarthy (59)	201	3	—	—	204	33	4	Minneapolis, Minn	Operations
214	Northern Trust	[41]E Norman Staub (65)	326	47	250	—	624	27	2	Newark, NJ	Banking
81	Northrop	Thomas V Jones (60)	932	18	3	—	953	27	21	Pomona, Cal	Administration
570	Northwest Airlines	M Joseph Lapensky (62)	300	—	—	—	300	36	2	Minneapolis, Minn	Finance
569	Northwest Bancorp	Chester C Lind (62)	284	—	17	—	301	45	1	Firesteel, SD	Banking
263	Northwest Energy	John G McMillian (54)	504	22	37	—	564	8	7	Orange City, Tex	Administration
352	Northwest Industries	Ben W Heineman (67)	439	38	—	—	476	25	25	Wausau, Wisc	Legal
763	Northwestern Finl	Ben T Craig (48)	167	4	—	—	171	3	3	Gastonia, NC	Finance
357	Norton	Donald R Melville (54)	308	14	—	151	473	14	1	England	Marketing
33	Norton Simon	David J Mahoney (58)	933	265	300	—	1,498	14	11	New York, NY	Marketing
132	Occidental Petroleum	Armand Hammer (83)	690	22	87	—	799	23	23	New York, NY	Finance
57	Ogden	Ralph E Ablon (65)	840	12	227	—	1,080	26	19	Tupelo, Miss	Administration
664	Ohio Casualty	John G Sloneker (59)	205	14	21	—	240	33	2	Hamilton, Ohio	Insurance
786	Ohio Edison	Justin T Rogers Jr (51)	148	—	—	—	148	22	1	Sandusky, Ohio	Legal
789	Oklahoma Gas & Elec	James G Harlow Jr (47)	135	10	—	—	144	20	5	Oklahoma City, Okla	Finance
589	Old Kent Financial	Richard M Gillett (57)	207	6	39	39	290	23	17	Grand Rapids, Mich	Administration
641	Old Stone	Theodore W Barnes (50)	189	31	37	—	256	33	5	Providence, RI	Banking
197	Olin	John M Henske (58)	537	15	84	14	650	12	3	Omaha, Neb	Operations

[1]For FORBES definitions and methodology see page 114.

[40]Succeeded by Julien L. McCall, 1/1/81.
[41]Succeeded by Philip W.K. Sweet Jr., 3/17/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
568	Overseas Shipholding	Morton P Hyman (45)	301	—	—	—	301	11	9	New York, NY	Legal
536	Owens-Corning Fbrgls	William W Boeschenstein (55)	319	1	12	—	332	30	8	Chicago, Ill	Marketing
94	Owens-Illinois	Edwin D Dodd (62)	613	107	170	—	890	34	8	Point Pleasant, W Va	Production
376	PACCAR	Charles M Pigott (52)	[illegible]	—	10	—	452	25	13	Seattle, Wash	Administration
612	Pacific Gas & Elec	Frederick W Mielke Jr (60)	270	8	—	—	278	30	2	New York, NY	Legal
561	Pacific Lighting	Paul A Miller (56)	298	10	—	—	308	32	12	San Francisco, Cal	Finance
601	Pacific Lumber	Robert B Hoover (65)	224	—	59	—	283	41	5	Fresno, Cal	Sales
740	Pacific Pwr & Lt	Don C Frisbee (57)	191	1	—	—	192	27	15	San Francisco, Cal	Finance
470	Paine Webber	Donald B Marron (46)	381	—	—	—	381	22	1	Goshen, NY	Investment
560	Pall	Abraham Kransoff (61)	235	13	60	—	308	30	12	Newark, NJ	Finance
435	Pan Am World Airways	William T Seawell (63)	298	20	90	—	409	9	9	Pine Bluff, Ark	Operations
365	Panhandle Eastern	Richard L O'Shields (54)	337	8	17	101	463	21	11	Ozark, Ark	Production
785	Parker Drilling	Robert L Parker (57)	148	—	—	—	148[12]	34	27	Tulsa, Okla	Technical
491	Parker-Hannifin	Patrick S Parker (51)	343	26	—	—	369	28	9	Cleveland, Ohio	Administration
143	Parsons	William E Leonhard (66)	469	14	286	—	768	14	5	Middletown, Pa	Technical
370	Peabody Intl	John E McConnaughy Jr (52)	247	28	57	125	456	12	12	Pittsburgh, Pa	Finance
29	Penn Central	Richard Dicker (67)	1,448	—	200	—	1,648	2	2	New York, NY	Investment
322	PennCorp Financial	[42]Stanley Beyer (49)	405	2	105	—	511	30	8	New York, NY	Insurance
314	J C Penney	Donald V Seibert (57)	500	—	16	—	516	33	6	Hamilton, Ohio	Retailing
780	Pa Power & Light	Robert K Campbell (51)	150	—	—	—	150	4	2	Chicago, Ill	Technical
564	Pennwalt	Edwin E Tuttle (54)	302	1	—	--	303	30	3	Syracuse, NY	Finance
74	Pennzoil	J Hugh Liedtke (59)	491	93	405	—	989	25	18	Tulsa, Okla	Legal
555	Peoples Energy	Orval C Davis (61)	287	—	27	—	313	34	3	Roseclare, Ill	Technical
71	PepsiCo	Donald M Kendall (60)	660	5	334	—	999	34	18	Sequim, Wash	Marketing
257	Perkin-Elmer	Robert H Sorensen (60)	170	—	197	201	568	21	3	Racine, Wisc	Technical
124	Petro-Lewis	Jerome A Lewis (54)	284	2	18	518	822	13	13	Wichita, Kan	Founder
147	Petrolane	Rudolph J Munzer (63)	403	18	—	327	748	34	24	Minneapolis, Minn	Sales
433	Petrolite	Ellis L Brown (65)	354	—	1	55	410	15	15	Duncan, Okla	Technical
223	Pfizer	Edmund T Pratt Jr (54)	583	19	—	12	614	16	8	Savannah, Ga	Finance
335	Phelps Dodge	George B Munroe (59)	371	19	75	33	497	23	11	Joliet, Ill	Legal
727	Phila Electric	James L Everett (54)	203	—	—	—	203	31	3	Charlotte, NC	Technical
616	Philadelphia Natl	G Morris Dorrance Jr (58)	276	—	—	—	276	29	12	Philadelphia, Pa	Finance
363	Phila Suburban	James M Ballengee (58)	403	59	2	—	464	19	12	Charleston, W Va	Legal
144	Philip Morris	George Weissman (61)	750	12	—	—	761	29	2	New York, NY	Marketing
133	Phillips Petroleum	William C Douce (61)	350	23	425	—	798	39	1	Kingman, Kan	Operations
249	Pillsbury	William H Spoor (58)	484	23	75	—	582	31	8	Pueblo, Colo	Operations
668	Pioneer	K Bert Watson (56)	238	4	–6	—	236	28	8	Ranger, Tex	Legal
752	Pioneer Hi-Bred Intl	[43]Dr William L Brown (67)	182	—	—	—	182	36	5	Arbovale, W Va	Technical
338	Pitney Bowes	Fred T Allen (64)	385	—	107	—	492	42	7	Providence, RI	Operations
473	Pittsburgh National	Merle E Gilliland (59)	355	—	24	—	379	28	11	Pitcairn, Pa	Finance
39	Pittston	Nicholas T Camicia (65)	485	37	76	741	1,339	12	11	Welch, W Va	Operations
590	Pogo Producing	William C Liedtke Jr (56)	248	40	—	—	289	11	3	Tulsa, Okla	Operations
567	Polaroid	William J McCune Jr (66)	299	—	3	—	302	41	1	Glens Falls, NY	Technical
800	Portland Genl Elec	Robert H Short (56)	127	2	4	—	133	26	1	Klamath Falls, Ore	Finance
115	Potlatch	Richard B Madden (52)	448	8	8	375	838	10	10	Orange, NJ	Finance
671	Potomac Elec Power	W Reid Thompson (56)	231	3	—	—	234	10	10	Durham, NC	Legal
305	PPG Industries	L Stanton Williams (61)	447	65	12	—	524	35	2	Honolulu, Haw	Finance
388	Prime Computer	Kenneth G Fisher (50)	418	27	—	—	445	5	5	Omaha, Neb	Marketing
154	Procter & Gamble	[44]Edward G Harness (62)	584	37	119	—	740	41	7	Marietta, Ohio	Marketing
791	Provident Life & Acc	H Carey Hanlin (56)	142	—	—	—	142	32	2	Chattanooga, Tenn	Insurance
521	Provident National	Roger S Hillas (54)	251	—	—	89	340	30	7	Wyncote, Pa	Finance

[1]For FORBES definitions and methodology see page 114.

[12]Figures are for 1979.
[42]Office jointly held with Burton Borman.
[43]Succeeded by Thomas N. Urban, 1/27/81
[44]Succeeded by John G. Smale, 1/5/81

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000)					Years served		Place of birth	Business background
			Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	With co.	As CEO		
781	Public Service Colo	Richard F Walker (57)	150	—	—	—	150	31	2	Alliance, Neb	Technical
769	Public Service Ind	Hugh A Barker (55)	160	2	—	—	162	22	4	Stillwater, Minn	Finance
812	Public Service N H	William C Tallman (61)	110	—	—	—	110	35	16	Newton, Mass	Technical
681	Public Service N M	Jerry D Geist (47)	203	1	20	—	224	21	5	Raton, NM	Technical
653	Pub Svc Elec & Gas	Robert I Smith (62)	234	17	—	--	251	40	5	Arlington, NJ	Technical
342	Quaker Oats	Robert D Stuart Jr (65)	440	7	44	—	491	34	14	Hubbard Woods, Ill	Marketing
397	Rainier Bancorp	G Robert Truex Jr (57)	250	2	54	135	441	7	7	Red Bank, NJ	Banking
168	Ralston Purina	[45]R Hal Dean (65)	550	36	123	—	709	42	13	Mitchell, SD	Operations
670	Raychem	Paul M Cook (57)	234	—	—	—	234	24	24	Ridgewood, NJ	Founder
272	Raytheon	Thomas L Phillips (57)	552	3	—	—	555	33	12	Turkey	Technical
77	RCA	[46]Edgar H Griffiths (60)	585	18	220	134	957	32	4	Philadelphia, Pa	Finance
193	Reading & Bates	John W Bates Jr (61)	296	204	157	—	656	35	14	Spirit Lake, Iowa	Administration
63	Reliance Group	Saul P Steinberg (41)	1,007	34	5	—	1,047	20	20	New York, NY	Founder
326	Republic New York	Walter H Weiner (50)	496	1	12	—	509	1	1	New York, NY	Legal
404	Republic of Texas	James D Berry (60)	359	6	72	—	436	31	4	Sapulpa, Okla	Banking
313	Republic Steel	William J De Lancey (65)	479	38	—	—	518	29	7	Chicago, Ill	Administration
304	Revco D S	Sidney Dworkin (60)	219	97	209	—	525	25	14	Detroit, Mich	Founder
56	Revlon	Michel C Bergerac (49)	1,083	2	5	—	1,090	6	6	France	Administration
160	Rexnord	Robert V Krikorian (61)	350	—	368	—	718	30	1	New Haven, Conn	Operations
88	R J Reynolds Inds	J Paul Sticht (63)	705	3	124	80	913	8	3	Clairton, Pa	Marketing
123	Reynolds Metals	David P Reynolds (66)	455	1	367	—	823	44	5	Bristol, Tenn	Marketing
458	Richardson-Vicks	John S Scott (55)	340	21	31	—	392	30	5	West Orange, NJ	Marketing
662	Riggs Natl Bank	Vincent C Burke Jr (58)	240	—	—	—	240	26	5	Louisville, Ky	Banking
503	Roadway Express	William F Spitznagel (54)	323	1	29	—	354	31	3	Fairfield, Ala	Operations
10	Rockwell Intl	Robert Anderson (60)	865	19	920	1,164	2,967	13	7	Columbus, Neb	Technical
172	Rohm & Haas	Vincent L Gregory Jr (58)	549	8	137	—	694	31	10	Oil City, Pa	Finance
505	Rollins	O Wayne Rollins (69)	350	—	—	—	350	33	33	Ringgold, Ga	Founder
634	ROLM	M Kenneth Oshman (40)	260	—	—	—	260	12	12	Kansas City, Mo	Founder
19	Rowan Companies	C Robert Palmer (46)	200	—	1	2,064	2,265	28	9	Gorman, Tex	Technical
200	Ryder System	Leslie O Barnes (64)	305	16	91	232	644	5	5	Canisteo, NY	Administration
60	Sabine	Ashley H Priddy (59)	250	38	—	769	1,057	32	12	Wichita Falls, Tex	Technical
518	Safeco	Roland M Trafton (61)	266	—	26	50	342	28	2	Los Angeles, Cal	Finance
525	Safeway Stores	Peter A Magowan (39)	325	—	13	—	338	13	1	New York, NY	Administration
51	St Joe Minerals	John C Duncan (60)	413	37	117	557	1,123	10	9	New York, NY	Operations
499	St Paul Companies	Carl B Drake Jr (61)	332	1	25	—	358	39	8	St Paul, Minn	Insurance
255	St Regis Paper	William R Haselton (56)	348	171	52	—	571	28	2	Glens Falls, NY	Operations
756	San Diego Gas & Elec	Robert E Morris (59)	175	—	5	—	180	15	5	Parsons, Kan	Marketing
643	Sanders Associates	Jack L Bowers (60)	227	4	25	—	256	4	2	Colorado Springs, Colo	Administration
208	Santa Fe Industries	John S Reed (64)	570	3	59	—	632	41	8	Chicago, Ill	Operations
149	Santa Fe Intl	Edfred L Shannon Jr (55)	315	31	26	374	746	27	18	Durant, Okla	Technical
185	Schering-Plough	Richard J Bennett (64)	588	33	46	—	667	34	2	Brooklyn, NY	Legal
179	Schlumberger	Jean Riboud (61)	500	175	—	—	675	30	16	France	Legal
153	SCM	Paul H Elicker (58)	589	3	150	—	742	24	9	New York, NY	Finance
438	Scott Paper	Charles D Dickey Jr (63)	398	2	8	—	407	34	10	New York, NY	Operations
476	Seafirst	William M Jenkins (62)	323	26	28	—	376	35	18	Sultan, Wash	Banking
102	G D Searle	Donald H Rumsfeld (48)	441	425	—	—	866	4	4	Chicago, Ill	Investment
233	Sears Roebuck	Edward R Telling (62)	601	—	—	—	601	35	3	Danville, Ill	Retailing
656	Seatrain Lines	Howard M Pack (63)	200	41	7	—	247	30	30	New York, NY	Founder
282	Security Pacific	Richard J Flamson III (52)	537	10	—	—	546	26	2	Los Angeles, Cal	Banking
682	SEDCO	B Gill Clements (39)	207	12	3	—	223	12	2	Dallas, Tex	Finance
674	Shawmut	John P LaWare (53)	192	—	40	—	231	2	1	Columbus, Wisc	Banking

[1]For FORBES definitions and methodology see page 114.

[45]To be succeeded by William P. Stiritz, 7/1/81.
[46]Succeeded by Thornton F. Bradshaw, 7/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000)					Years served		Place of birth	Business background
			Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	With co.	As CEO		
474	Shearson Loeb Rhoades	Sanford I Weill (48)	352	—	26	—	378	21	7	New York, NY	Founder
25	Shell Oil	John F Bookout (58)	740	63	143	960	1,905	30	5	Shreveport, La	Technical
162	Sherwin-Williams	John G Breen (46)	534	13	11	160	717	2	2	Cleveland, Ohio	Operations
813	Sigmor	Tom E Turner (67)	100	—	—	—	100	29	29	Ft Worth, Tex	Founder
145	Signal Companies	Forrest N Shumway (54)	460	57	242	—	760	24	13	Skowhegan, Me	Legal
374	Singer	Joseph B Flavin (52)	453	—	—	—	453	5	5	St Louis, Mo	Finance
369	Smith International	Jerry W Neely (44)	440	5	13	—	458	15	4	Torrance, Cal	Operations
354	SmithKline	Robert F Dee (56)	438	20	18	—	476	32	9	Cincinnati, Ohio	Administration
459	Society	J Maurice Struchen (60)	306	16	35	35	392	11	5	Cleveland, Ohio	Banking
788	So Carolina E & G	Virgil C Summer (60)	140	2	4	—	147	43	1	Spartanburg, SC	Operations
579	South Carolina Natl	[47]John H Lumpkin (65)	150	25	120	—	295	16	12	Fairbanks, Alas	Finance
613	Southeast Banking	Charles J Zwick (54)	253	6	—	18	278	12	1	Plantsville, Conn	Finance
775	Southern Bancorp Ala	Wallace D Malone Jr (44)	152	—	—	—	152	22	1	Dothan, Ala	Banking
660	So Calif Edison	William R Gould (62)	225	12	7	—	244	33	1	Provo, Utah	Technical
571	Southern Company	Alvin W Vogtle Jr (62)	288	11	—	—	300	40	11	Birmingham, Ala	Legal
644	So Natural Resources	Henry C Goodrich (61)	253	3	—	—	256	1	1	Fayetteville, Tenn	Technical
711	So New England Tel	Alfred W Van Sinderen (57)	194	5	10	—	210	33	13	Brooklyn, NY	Operations
156	Southern Pacific	Benjamin F Biaggini (65)	625	—	12	91	727	44	13	New Orleans, La	Technical
550	Southern Railway	Harold H Hall (55)	270	1	50	—	320	38	1	Andrews, NC	Operations
337	Southland	John P Thompson (55)	429	31	34	—	494	32	20	Dallas, Tex	Finance
13	Southland Royalty	Jon Brumley (42)	298	39	26	2,018	2,380	14	7	Pampa, Tex	Administration
585	Southwest Bancshs	John T Cater (45)	280	2	10	—	292	4	4	Temple, Tex	Banking
91	Sperry	J Paul Lyet (64)	595	43	70	192	900	37	8	Philadelphia, Pa	Finance
324	Square D	Mitchell P Kartalia (68)	500	—	—	10	510	40	13	Yukon, Pa	Marketing
323	Squibb	Richard M Furlaud (58)	520	—	—10	—	510	25	15	New York, NY	Legal
278	A E Staley Mfg	Donald E Nordlund (59)	425	7	119	—	551	25	8	Stromsburg, Neb	Administration
76	Standard Brands	F Ross Johnson (49)	555	16	391	—	963	10	5	Winnipeg, Can	Finance
84	Standard Oil Calif	[48]Harold J Haynes (55)	935	1	—	—	936	34	7	Fort Worth, Tex	Production
11	Standard Oil Ind	John E Swearingen (62)	680	31	—	2,207	2,917	42	20	Columbia, SC	Production
59	Standard Oil Ohio	Alton W Whitehouse Jr (53)	486	23	131	423	1,062	12	3	Albany, NY	Legal
645	State Street Boston	William S Edgerly (54)	251	5	—	—	256	5	5	Lewiston, Me	Finance
465	Stauffer Chemical	H Barclay Morley (52)	294	2	91	—	387	18	7	Sydney, Can	Technical
379	Sterling Drug	Dr W Clarke Wescoe (61)	420	7	23	—	451	11	7	Allentown, Pa	Technical
417	J P Stevens	Whitney Stevens (55)	350	14	—	59	423	33	1	Plainfield, NJ	Administration
598	Stop & Shop	Avram J Goldberg (51)	282	2	—	—	284	23	2	Boston, Mass	Legal
62	Storage Technology	Jesse I Aweida (50)	550	2	500	—	1,052	11	11	Palestine	Founder
806	Sumitomo Bank Cal	Nimei Akamatsu (52)	113	9	—	—	122	8	2	Japan	Banking
732	Sun Banks of Florida	Richard F Livingston (61)	200	—	—	—	200	40	7	Daytona Beach, Fla	Banking
82	Sun Company	Theodore A Burtis (59)	572	22	271	83	949	14	2	Jamaica, NY	Technical
604	Sunbeam	Robert P Gwinn (74)	279	2	—	—	281	45	26	Anderson, Ind	Sales
385	Sundstrand	Evans W Erikson (54)	350	25	73	—	448	29	1	Rockford, Ill	Technical
517	Super Valu Stores	[49]Jack J Crocker (56)	342	1	—	—	343	8	8	Portland, Ore	Retailing
213	Superior Oil	Joseph E Reid (52)	601	24	—	—	625	8	1	Meridian, Miss	Technical
409	Supermarkets General	Herbert Brody (66)	422	4	6	—	432	25	1	Philadelphia, Pa	Founder
544	Supron Energy	Alvin M Wiederkehr (58)	304	13	7	—	324	29	9	Freer, Tex	Operations
605	Sysco	John F Baugh (65)	281	—	—	—	281	35	11	Waco, Tex	Founder
808	Tandem Computers	James G Treybig (40)	120	—	—	—	120	6	6	Clarendon, Tex	Founder
266	Tandy	[50]Phil R North (62)	500	60	—	—	560	15	2	Fort Worth, Tex	Administraton
625	Tektronix	Earl Wantland (49)	201	14	21	32	268	26	6	Bridge, Ore	Administration
807	Tele-Communications	John C Malone (40)	120	—	—	—	121	8	8	Milford, Conn	Administration
191	Teledyne	Henry E Singleton (64)	650	9	—	—	659	20	20	Haslet, Tex	Founder

[1]For FORBES definitions and methodology see page 114.

[47]Succeeded by James G. Lindley, 2/1/81.
[48]Succeeded by George M. Keller, 5/5/81.
[49]To be succeeded by Michael W. Wright, 6/26/81.
[50]To be succeeded by John V. Roach, ?/1/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contin-gent[1]	Stock gains[1]	Total	Years served With co.	As CEO	Place of birth	Business background
332	Teleprompter	Jack K Cooke (69)	500	—	—	—	500	15	9	Hamilton, Can	Administration
69	Tenneco	James L Ketelsen (50)	556	11	441	—	1,009	14	2	Davenport, Iowa	Finance
728	Tenn Valley Bancorp	William F Earthman (55)	168	27	7	—	201	27	9	Nashville, Tenn	Finance
188	Tesoro Petroleum	Robert V West Jr (60)	556	12	95	—	663	25	16	Kansas City, Mo	Founder
86	Texaco	John K McKinley (61)	783	144	—	—	927	40	1	Tuscaloosa, Ala	Technical
651	Texas American Bshs	Lewis H Bond (59)	242	—	11	—	253	29	18	Ashport, Tenn	Banking
173	Texas Commerce Bshs	Ben F Love (56)	467	18	199	—	684	14	8	Vernon, Tex	Finance
432	Texas Eastern	I David Bufkin (59)	300	48	62	—	410	32	1	Haynesville, La	Technical
204	Texas Gas Transmn	Dennis R Hendrix (41)	454	19	—	166	638	8	3	Selmer, Tenn	Finance
131	Texas Instruments	Mark Shepherd Jr (58)	558	217	26	—	802	33	12	Dallas, Tex	Technical
461	Texas Oil & Gas	William L Hutchison (49)	390	—	—	—	390	23	5	Dallas, Tex	Legal
642	Texas Utilities	T Louis Austin Jr (62)	244	12	—	—	256	28	8	Trenton, Tenn	Production
118	Texasgulf	[51]Charles F Fogarty (60)	440	104	64	227	835	29	7	Denver, Colo	Technical
393	Textron	Robert P Straetz (59)	366	36	35	6	443	35	1	Hillside, NJ	Sales
766	Third National	Charles J Kane (61)	157	5	4	—	166	6	5	Louisville, Ky	Banking
64	Tidewater	John P Laborde (58)	417	12	56	540	1,025	25	5	Marksville, La	Legal
166	Tiger International	Wayne M Hoffman (58)	456	106	149	—	711	13	10	Chicago, Ill	Legal
371	Time Inc	J Richard Munro (50)	373	38	2	43	455	23	1	Syracuse, NY	Operations
253	Times Mirror	[52]Franklin D Murphy (65)	474	104	—	—	578	12	12	Kansas City, Mo	Administration
553	Timken	William R Timken Jr (42)	315	—	—	—	315	18	6	Canton, Ohio	Administration
774	Toledo Edison	John P Williamson (59)	146	5	4	—	155	30	8	Cleveland, Ohio	Finance
802	Tom Brown	Thomas C Brown (54)	101	28	—	—	129	25	25	Akron, Ohio	Founder
479	Tosco	Morton M Winston (50)	301	31	42	—	375	17	5	New York, NY	Legal
526	Trans World	L Edwin Smart (57)	228	1	107	1	337	14	4	Columbus, Ohio	Legal
128	Transamerica	[53]John R Beckett (63)	795	19	—	—	814	20	15	San Francisco, Cal	Administration
43	Transco Companies	William J Bowen (59)	383	37	—	789	1,209	6	6	Sweetwater, Tex	Operations
669	TRANSOHIO Financial	Warner B Bishop (62)	214	3	18	—	235	18	18	Lakewood, Ohio	Administration
295	Travelers	[54]Morrison H Beach (64)	512	9	12	—	533	41	8	Winsted, Conn	Insurance
697	Trust Co of Georgia	Robert Strickland (54)	187	—	28	—	215	32	4	Atlanta, Ga	Banking
187	TRW	Ruben F Mettler (57)	642	22	—	—	664	26	3	Shafter, Cal	Technical
767	Tucson Electric Pwr	Theodore M Welp (47)	144	20	—	—	164	7	5	San Francisco, Cal	Finance
566	Turner Construction	Walter B Shaw (61)	289	—	13	—	302	40	4	New York, NY	Operations
66	Twentieth Century-Fox	Dennis C Stanfill (54)	994	23	—	—	1,017	11	9	Centerville, Tenn	Finance
629	Tymshare	Thomas J O'Rourke (57)	263	3	—	—	266	15	15	Red Lodge, Mont	Founder
492	U S Air	Edwin I Colodny (55)	272	5	—	88	364	23	5	Burlington, Vt	Legal
500	UAL	Richard J Ferris (45)	345	13	—	—	358	9	2	Sacramento, Cal	Administration
413	Union Camp	Peter J McLaughlin (52)	301	—	128	—	428	35	1	New York, NY	Finance
151	Union Carbide	William S Sneath (55)	732	11	—	—	743	30	4	Buffalo, NY	Finance
784	Union Commerce	Lyman H Treadway (51)	149	—	—	—	149	11	2	Cleveland, Ohio	Banking
658	Union Electric	Charles J Dougherty (62)	241	4	—	—	246	40	13	Clayton, Mo	Legal
7	Union Oil California	Fred L Hartley (64)	876	370	463	1,419	3,129	42	16	Vancouver, Can	Technical
79	Union Pacific	James H Evans (61)	935	10	10	—	955	12	3	Lansing, Mich	Administration
595	Uniroyal	Joseph P Flannery (49)	265	21	—	—	286	22	1	Lowell, Mass	Marketing
626	United Bank Corp NY	Peter D Kiernan (57)	256	6	5	—	268	7	7	Albany, NY	Insurance
761	United Banks of Colo	N Berne Hart (51)	147	—	26	—	173	27	2	Denver, Colo	Banking
247	United Brands	Seymour Milstein (60)	584	3	—	—	587	6	4	New York, NY	Operations
351	Utd Energy Resources	J Hugh Roff Jr (49)	402	60	16	—	477	7	7	Wewoka, Okla	Legal
811	United Jersey Banks	[55]Richard L Wines (43)	117	—	—	—	117	10	1	New York, NY	Banking
676	United Missouri Bshs	R Crosby Kemper (54)	206	4	17	—	228	31	11	Kansas City, Mo	Administration
466	U S Bancorp	John A Elorriaga (57)	321	16	—	50	386	30	6	Jordan Valley, Ore	Administration
447	U S Fidelity & Gty	Jack Moseley (50)	220	—	—	180	401	28	1	Birmingham, Ala	Insurance

[1]For FORBES definitions and methodology see page 114.

[51]Deceased, succeeded by Richard D. Mollison, 2/12/81.
[52]Succeeded by Robert F. Erburu, 1/1/81.
[53]Succeeded by James R. Harvey, 1/1/81.
[54]Succeeded by Edward H. Budd, 4/6/81.
[55]Succeeded by T. Joseph Semrod, 4/2/81.

BEST AVAILABLE COPY

WHO GETS THE MOST PAY

Rank	Company	Chief executive (age)	Compensation ($000) Salary & bonus[1]	Benefits[1]	Contingent[1]	Stock gains[1]	Total	Years served With co.	Years served As CEO	Place of birth	Business background
67	United States Gypsum	Graham J Morgan (63)	497	—	13	504	1,014	41	16	Aurora, Ill	Marketing
306	U S Home	Guy R Odom (50)	369	17	138	—	524	20	4	Groveton, Tex	Operations
327	U S Industries	[56]I John Billera (68)	496	13	—	—	509	28	16	New York, NY	Finance
211	United States Steel	David M Roderick (57)	609	1	17	—	628	22	2	Pittsburgh, Pa	Finance
495	United States Trust	[57]Tom Killefer (64)	226	134	—	—	361	5	5	Los Angeles, Cal	Finance
22	United Technologies	Harry J Gray (61)	915	71	342	734	2,063	9	8	Milledgeville, Ga	Administration
464	United Telecom	Paul H Henson (55)	375	14	—	—	388	22	14	Bennet, Neb	Technical
623	United Va Bankshares	Joseph A Jennings (60)	247	1	21	—	270	43	4	Richmond, Va	Banking
373	Upjohn	Ray T Parfet Jr (58)	398	55	—	—	453	33	19	Port Huron, Mich	Finance
273	USLIFE	Gordon E Crosby Jr (60)	435	7	113	—	554	22	15	Remsen, Iowa	Marketing
801	Utah Power & Light	Harry Blundell (56)	125	—	6	—	132	32	2	Salt Lake City, Utah	Finance
340	Valero Energy	William E Greehey (45)	272	202	17	—	491	17	7	Fort Dodge, Iowa	Finance
469	Valley Natl Bk Ariz	Gilbert F Bradley (61)	299	15	69	—	383	44	5	Miami, Ariz	Administration
714	Va Electric & Power	T Justin Moore Jr (56)	203	—	6	—	209	21	3	Richmond, Va	Legal
685	Virginia Natl Bshs	Clifford A Cutchins III (57)	205	—	15	—	220	33	1	Southampton Cnty, Va	Banking
287	Vulcan Materials	W Houston Blount (59)	422	29	91	—	542	26	2	Union Springs, Ala	Operations
597	Wachovia	John G Medlin Jr (47)	277	—	8	—	285	22	4	Benson, NC	Banking
667	Wal-Mart Stores	Sam M Walton (63)	225	—	12	—	237	35	35	Kingfisher, Okla	Founder
659	Waldbaum	Ira Waldbaum (52)	245	—	—	—	245	34	32	Brooklyn, NY	Administration
548	Walgreen	Charles R Walgreen III (45)	284	5	32	—	321	29	10	Chicago, Ill	Operations
299	Wang Laboratories	An Wang (61)	323	—	207	—	530	30	30	China	Founder
18	Warner Commun	Steven J Ross (53)	1,350	65	859	—	2,274	19	19	New York, NY	Finance
209	Warner-Lambert	Ward S Hagan (61)	557	53	21	—	631	11	3	Sioux City, Iowa	Marketing
522	Washington National	Stanley P Hutchison (57)	223	5	2	110	340	34	5	Joliet, Ill	Legal
101	Waste Management	Dean L Buntrock (50)	460	3	—	404	867	24	13	Columbia, SD	Founder
454	Wells Fargo	Richard P Cooley (57)	376	8	11	—	395	31	14	Dallas, Tex	Finance
350	West Point-Pepperell	Joseph L Lanier Jr (49)	311	58	108	—	477	24	5	Lanett, Ala	Operations
180	Western Co No Amer	H E Chiles (71)	658	16	—	—	674	42	42	Itasca, Tex	Founder
771	Western Financial	Gary H Driggs (46)	155	2	2	—	159	19	5	Phoenix, Ariz	Banking
647	Western Union	Robert M Flanagan (51)	255	—	—	—	255	7	2	Springfield, Mass	Finance
178	Westinghouse Elec	Robert E Kirby (62)	673	3	—	—	677	35	6	Ames, Iowa	Technical
430	Westvaco	David L Luke III (57)	390	23	—	—	413	29	17	Tyrone, Pa	Finance
708	Wetterau	Ted C Wetterau (53)	197	13	—	—	210	29	11	St Louis, Mo	Marketing
240	Weyerhaeuser	George H Weyerhaeuser (54)	554	6	—	33	593	31	15	Seattle, Wash	Production
48	Wheelabrator-Frye	Michael D Dingman (49)	814	67	267	—	1,148	11	10	New Haven, Conn	Finance
545	Wheeling-Pitts Steel	Dennis J Carney (60)	265	32	27	—	323	7	3	Charleroi, Pa	Operations
349	Whirlpool	John H Platts (63)	398	1	80	—	479	40	9	Detroit, Mich	Sales
222	White Consolidated	Roy H Holdt (60)	496	31	87	—	614	39	4	Edgewood, Md	Finance
655	Whitney Holding	Patrick A Delaney (49)	225	—	23	—	248	27	4	New Orleans, La	Banking
89	Whittaker	Joseph F Alibrandi (52)	500	107	13	285	904	10	6	Boston, Mass	Administration
142	Wickes Companies	Emil L McNeely (62)	471	74	223	—	768	16	10	Pattonsburg, Mo	Marketing
600	Willamette Inds	Gene D Knudson (64)	273	—	11	—	283	31	7	Washtucna, Wash	Production
276	Williams Companies	Joseph H Williams (48)	413	44	96	—	553	22	2	Tulsa, Okla	Operations
471	Winn-Dixie Stores	Bert L Thomas (63)	381	—	—	—	381	35	15	Malad, Ida	Administration
745	Wisconsin Elec Pwr	Charles S McNeer (55)	178	2	6	—	187	31	5	Gilbert, W Va	Technical
610	Witco Chemical	William Wishnick (56)	274	3	2	—	279	31	9	New York, NY	Administration
416	F W Woolworth	Edward F Gibbons (61)	424	—	—	—	424	7	4	Boston, Mass	Finance
68	Xerox	C Peter McColough (58)	757	118	135	—	1,013	26	13	Halifax, Can	Sales
508	Zale	Donald Zale (48)	320	27	—	—	347	26	10	Wichita Falls, Tex	Marketing
515	Zapata	B John Mackin (63)	341	3	—	—	343	2	2	Dallas, Tex	Legal
206	Zayre	Maurice Segall (52)	629	8	—	—	637	3	3	Joliette, Can	Retail
441	Zenith Radio	Revone W Kluckman (52)	328	20	57	—	406	14	1	Mound City, SD	[illegible]
541	Zions Utah Bancorp	Roy W Simmons (65)	162	—	25	140	327	27	15	Portland, Ore	Administration

[1]For FORBES definitions and methodology see page 114.

[56]Succeeded by Gordon A. Walker, 1/1/81.
[57]Succeeded by Daniel P. Davison, 1/1/81.

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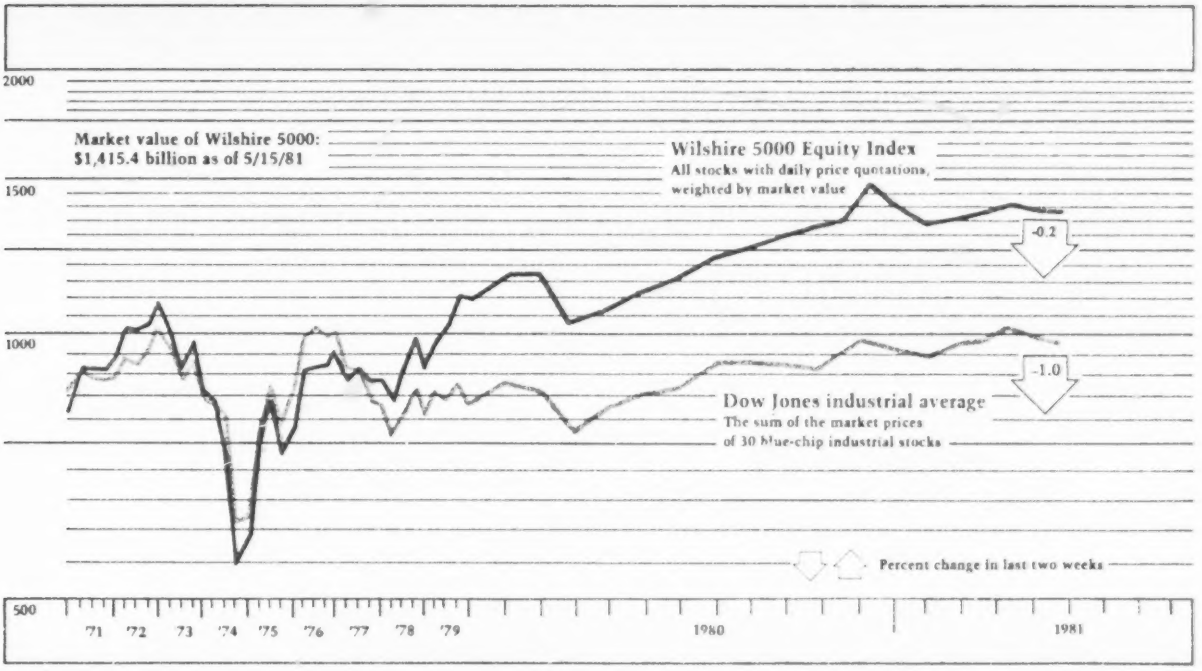
The Forbes/Wilshire 5000 Review



It's a readjustment period—again. In the last few years Wall Street has been sticking fairly close to one standard script: The Dow, for example, runs up by 50 to 100 points and then quickly declines by roughly the same amount. There must be plenty of smart guys who have it down to a science and know just when to bail out.

If this pattern holds true, both the Dow and the Wilshire will most likely kill some time wallowing before making the next move upward. Overall, contradictory signals on inflation and the economy are doing little to boost investor confidence.

During the last four weeks only the ASE Index, fueled by a slight uptick in energy stocks, managed to show some gains. However, the game is still NASDAQ stocks—where relatively small amounts of money can spark speculative fireworks. Even though the NASDAQ Composite slipped over the past month, it is still comfortably ahead of the NYSE Index. It is largely the NYSE component, in fact, that is holding back the 52-week performance of the broadly based Wilshire. It's a speculative market, not an investment market.

However, high-technology stocks really weren't a part of this high-P/E mini-rally. The charts on the next page make that clear.

Close-up On The Equity Markets

Performance of five leading indexes

Percent change	Wilshire 5000	Dow Jones industrials	NYSE Composite	ASE Market Value Index	NASDAQ Composite
in last 4 weeks	–0.8	–2.0	–1.6	1.5	–0.1
in last 52 weeks	28.4	19.2	25.0	43.9	47.0

Stock performance based on five key investor yardsticks

Percent change	Volatility *		P/E multiple		Dividend yield		Growth profile †		Share price	
	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	–0.1	–0.1	1.4	0.0	–0.9	0.5	0.9	–0.5	–1.5	1.4
in last 52 weeks	78.0	17.5	76.5	34.3	10.1	59.6	66.1	28.1	34.3	61.8

* A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable.
† A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 5/15/81. Prepared by Wilshire Associates, Santa Monica, Calif.

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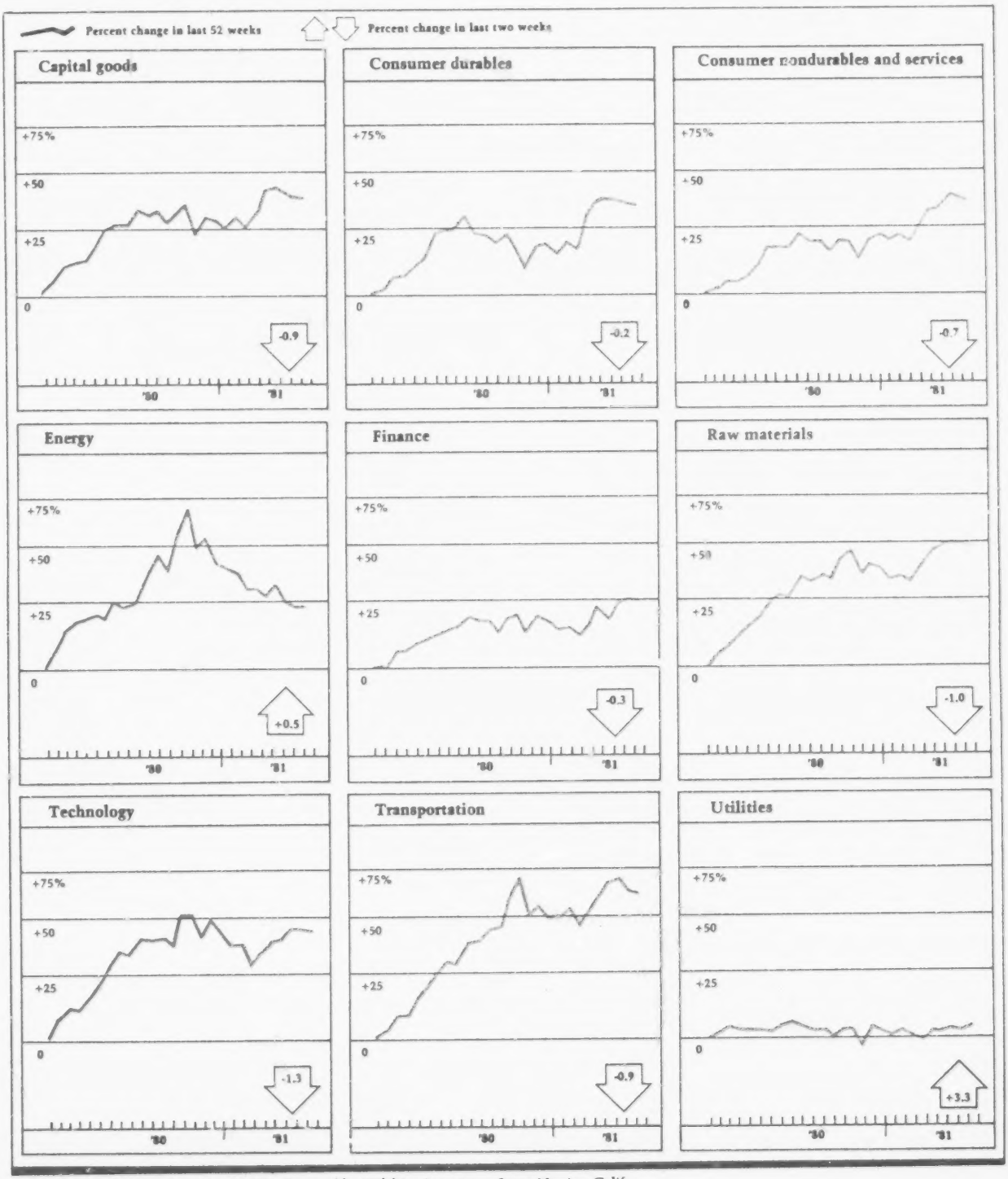
Where The Action Is

Light at the end of the extension cord? With few exceptions, the past two weeks have been a time to pull profits out of the market. Finance issues leveled off as brokerage stocks recovered from the recent case of acquisition fever. Technology companies, on the other hand, declined by 1.3%. Raw materials stocks fell almost as sharply, and capital goods producers continued their decline.

In the midst of all this gloom and doom, however, there were some surprising advances. The battered utilities moved against the market and clocked a healthy 3.3% gain. Even though utilities are still some way from solving their fundamental problems, there are reasons to be optimistic. Companies in this industry could move closer to historic book value and earnings multiples if they succeed in getting lower energy and interest costs and a more sympathetic hearing from regulators.



Note: All data for periods ending 5/15/81. Prepared by Wilshire Associates, Santa Monica, Calif.

"Only suckers buy high-yielding stocks." Those investors who believe that, don't really understand the stock market.

HOW TO HAVE YOUR CAKE AND EAT IT

By David Dreman

You can go for either of two targets: for capital gains or for income. The two goals are not compatible. So goes the conventional wisdom. The conventional wisdom is, as usual, quite wrong. We undertook a major computer study between 1968 and 1977, using 1,800 of the most widely followed companies in the country. The time span covered both the wild and woolly go-go markets of the late Sixties and the two worst bear markets of the postwar period. What we found was that, far from being incompatible, the pursuit of high income and of superior capital gains usually go hand in hand in the stock market. Look at the table:

Annual rate of return

	Decile	1968-77 Total annual return	1968-77 Yield	1968-77 Appreciation	1970-76 Total annual return	1970-76 Yield	1970-76 Appreciation
Highest P/E	1	-1.13%	1.15%	-2.28%	6.10%	1.25%	4.85%
	2	0.56	1.70	-1.14	6.25	1.80	4.45
	3	1.63	2.21	-0.58	8.01	2.36	5.65
	8	8.56	4.18	4.38	12.79	4.43	8.36
	9	6.08	4.22	1.86	8.61	4.34	4.27
Lowest P/E	10	10.26	4.06	6.20	14.13	3.84	10.29

Two sets of figures are presented. The first covers the entire nine years of the study; the second the better markets between the bear market low of 1970 and the interim highs of 1976. All stocks were arranged in ten equal groupings strictly according to P/E multiples and rearranged each year-end by the P/E multiples then prevailing. The top group (1) comprises the highest P/E multiples, the bottom (10) the lowest. The table gives the average annual total return followed by the breakdown into its two components, yield and capital appreciation. Even a fast glance at the table indicates the superior results of the lower-multiple groups. (Results in the four middle groups, omitted because of space limitations, improved as the price/earnings level dropped.)

When you analyze this superior performance of the low P/E stocks you might expect that most of it comes from their higher dividends. What is surprising is that low P/Es do better in the capital gains sweepstakes. Appreciation, in most cases, is directly inverse to P/E ratio.

Over the life of the study, the bottom 10% of P/Es appreciated 6.20% annually, *vs.* -2.28% for the highest P/Es. In the 1970-76 period the lowest group still outran the top group better than 2-to-1 (10.29% *vs.* 4.85%). In every other time period measured, we came up with remarkably similar results.

Contrary to what the good books say, then, these rather startling but well-documented statistics indicate that you can have your cake and eat it too. Low P/E stocks provide both better appreciation and much higher income.

The study also indicates the stronger defensive nature of the large-dividend payers. In the poorer market period in particular, the substantially larger yields of the low P/E stocks were a major contributor to the higher returns, and thus to their better performance.

This being so, which stocks offer the right combination of high yield plus capital gains potential? Here are some good ones:

- *Chemical Bank* (52), the nation's sixth-largest bank, currently yields 7.3% and trades at a P/E of 4. Earnings should show a good improvement from 1980's $11.17 a share.
- *Wells Fargo* (28), the tenth-largest bank holding company, yields 6.7% and has a P/E of 5. Earnings are estimated to increase 22% in 1981 from the $5.32 of 1980.
- *Travelers* (45) is a multiline insurance company that has been able to raise rates and keep earnings growth ahead of inflation. In the last decade, the company's earnings per share, although volatile, have shown an almost 20% annual increase. The stock currently trades at a P/E of 5 and yields 6.3%.
- *Shell Transport & Trading* (33), the British arm of Royal Dutch, has been knocked down 33% from its November high. The stock presents good value trading at a P/E of 5 and yielding 11%.
- *Anglo American Gold Investment ADR*, one of the largest South African gold holding companies, has major interests in four large South African mines, as well as a stake in uranium and gold mines abroad. Currently down from its alltime high of 149, to 87, the stock trades at about a 40% discount from the market value of its holdings, and yields 11.3%.

Are all the stock market winners in the high-yield, low P/E groups? Of course not, but of this you can be certain: A faithful and diversified adherence to a low P/E, high-yield strategy will enable you to beat most other investors—professional and amateur alike. I have 40 years' worth of studies to prove it. ■

David Dreman is managing director of Dreman, Gray & King, Investment Counsel, New York, and author of Contrarian Investment Strategy.

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Dividend cuts rarely please investors, but they sometimes make it possible for an ailing company to turn around.

Statistical Spotlight

Rough cuts: reduced dividends

By Steve Kichen and Paul Bornstein

WHAT'S THE WORST SHOCK a shareholder can get? Short of a bankruptcy petition, it's surely news of a dividend cut. That heralds an immediate decline in investment income. What's more, a payout reduction is an unvarnished message that a company is in trouble—and often an early warning signal that even tougher times are still ahead.

This is an unpleasant situation, of course, only if you're already an investor. But suppose you're shopping the market for bargains. A company's shares occasionally nosedive when the dividend falls, and if you're of the buy-on-bad-news persuasion, that could be a very positive signal. Cutting the payout may mean that take-charge management recognizes its problems and is willing to take unpopular steps to solve them.

Dividend cuts then can be either buy signals or sell signals. In a rough—and admittedly unscientific—way FORBES set out to find out which move makes better sense. From a universe of almost 2,000 major companies, we decided to see how those that slashed payouts fared on Wall Street. To keep the study recent and yet to allow time for a possible rebound, we surveyed the years 1976 to 1979. Although many companies went through multiple dividend cuts in this period, we based our data on the first of such moves. We did not examine companies with only sporadic dividend records.

To compare change in stock price from the time of dividend cuts to the present we took the stock price as of

Through the past, darkly

When a company cuts its dividend, that's a clear indication of trouble. But what happens next? To answer that question, FORBES developed this list of companies that reduced or eliminated their quarterly payments to stockholders between 1976 and 1979. Below, adjusted for stock dividends and stock splits, are the performance results of these 69 companies, ranked according to percentage price changes since their payout reductions. Our results: 5 out of every 7 stocks are now selling at higher prices, 17 of the 69 issues more than doubled. And 22 averaged yearly gains of 25% or more. Still, investing in dividend cutters has plenty of risks—as can be seen from the losses and low returns posted by their poorer performers listed here.

Company	Information on dividend cut: year	change in dividend	EPS for year	stock price	Recent stock price	% change in stock price	Earnings per share: latest fiscal year	latest 12 months	Indicated: dividend	yield
Florida Steel	'76	$0.09–$0.08	$0.43	5	35⅞	618%	$3.15	$3.57	$0.70	2.0%
Franklin Mint[1]	'77	0.19– 0.08	0.85	7½	37[2]	393	NA	NA	NA	NA
Canal-Randolph	'76	0.28– 0.16	0.58	8⅜	39¼	361	0.96	0.99	0.64	1.6
Newmont Mining	'77	0.40– 0.20	0.12	16¼	66¾	311	7.64	5.61	1.50	2.2
EF Johnson	'77	0.20– 0.00	d 7.49	7¼	28¾	297	0.69	0.41	—	—
Esquire	'76	0.08– 0.00	0.23	5¼	18⅞	260	3.40[3]	3.53[4]	0.90	4.8
Warnaco	'76	0.19– 0.00	d 0.09	6⅝	23⅞	260	3.87	3.99	1.00	4.2
Handleman	'76	0.10– 0.05	0.53	5½	16¼	195	1.94	1.59	1.00	6.2
Tonka	'79	0.11– 0.00	2.10	10	26¼	163	2.37[5]	3.17	0.10	0.4
Phelps Dodge	'77	0.55– 0.15	0.64	18⅜	47¼	157	4.20	3.23	1.60	3.4
Royster[6]	'78	0.15– 0.10	0.19	6⅜	16[6]	151	NA	NA	NA	NA
Michigan Sugar	'77	0.20– 0.08	0.41	6¾	16¼	141	5.59	8.55	1.00	6.2
RL Burns	'78	0.10– 0.00	d 4.18	2⅜	6⅛	133	0.25	0.54	—	—
Gulf Res & Chem Corp	'78	0.25– 0.06	1.41	10½	24½	133	2.24	1.30	0.50	2.0
M Lowenstein	'77	0.15– 0.08	d 2.16	11	24⅛	119	1.47	2.25	0.60	2.5
Sherwin-Williams	'78	0.28– 0.00	0.38	10	21¾	118	2.44	2.53	0.80	3.7
Buttes Gas & Oil	'78	0.08– 0.00	0.11	8½	17⅝	107	2.47	2.51	—	—
Zenith Radio	'79	0.25– 0.15	1.01	9⅝	18⅝	94	1.40	1.36	0.60	3.2
Citizens & Southern (Ga)	'77	0.13– 0.06	d 0.27	4⅞	8½	84	1.23	1.34	0.40	4.7
Kennecott[7]	'76	0.25– 0.15	0.27	32¼	58¾	82	2.79[8]	0.68[9]	1.40	2.4

[1]Acquired by Warner Communications: 1 share of Franklin Mint exchanged for 0.764 share of Warner or cash and warrants. [2]Equivalent value of Warner Communications stock. [3]Excludes $2.81 from discontinued operations. [4]Excludes $2.86 from discontinued operations. [5]Excludes $9.67 from discontinued operations. [6]Acquired by Universal Leaf Tobacco: 1 share of Royster exchanged for $16 cash or cash and notes. [7]Standard Oil (Ohio) made acquisition offer @ $62 per share. [8]Excludes $3 gain from sale of property. [9]Excludes $1.42 gain from transfer of interest. [10]Excludes $17.09 gain from sale of proprietary drug business. [11]Company in Chapter 11. [12]1979 results. [13]Company is in Chapter 11; shareholders approved plan to reorganize into Pantry Pride holding company. NA: Not applicable or not available. d: deficit.

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the date the cut was announced, the date that a reduced dividend was declared or the date that a dividend normally would have been declared. All data was adjusted for subsequent stock dividends and splits.

Our conclusion—limited by the data obtained in our quick investigation—is that dividend cuts seem more likely to portend good times than bad for stockholders. Of course, there were some spectacular basket cases, such as First Pennsylvania, which decreased 60%, and Combustion Equipment Associates which did even worse. But 22 of the companies averaged gains of at least 25% a year. And some of the winners, like Canal-Randolph, E.F. Johnson, Phelps Dodge, Tonka and Warnaco, were impressive indeed.

Back in 1976, for example, a farsighted investor who put $1,000 into Florida Steel—when it slashed the

Statistical Spotlight

Through the past, darkly

Company	Information on dividend cut: year	change in dividend	EPS for year	stock price	Recent stock price	% change in stock price	Earnings per share: latest fiscal year	latest 12 months	Indicated: dividend	yield
Tesoro Petroleum	'77	$0.25–$0.00	d $5.52	9¾	17¾	82%	$7.15	$4.85	$0.30	1.7%
BanCal Tri-State	'76	0.34– 0.15	0.66	15¼	27⅝	81	3.64	3.62	1.20	4.3
Alexander & Baldwin	'76	0.40– 0.30	1.86	16⅞	30⅜	80	7.89	7.08	1.80	5.9
Southeast Banking	'76	0.20– 0.10	1.09	11⅜	20¼	78	3.23	3.28	1.00	4.9
Culbro	'79	0.25– 0.15	d 6.62	10½	18¼	74	1.75	1.40[10]	—	—
Beker Industries	'77	0.07– 0.00	d 2.65	8⅛	14	72	2.49	1.85	—	—
Kaiser Steel	'79	0.38– 0.00	6.79	27½	45¼	66	27.16	19.68	—	—
Proler Intl	'78	0.35– 0.00	0.92	20¼	33⅝	62	4.40	4.40	1.40	4.2
House of Fabrics	'79	0.09– 0.05	0.46	5⅝	9	60	0.70	0.70	0.20	2.2
Ceco	'77	0.29– 0.18	d 0.97	14	21½	54	4.57	4.30	0.90	4.2
Outboard Marine	'79	0.35– 0.18	2.00	12¼	18¾	53	0.28	2.09	0.70	3.7
Uniroyal	'78	0.13– 0.00	0.04	5¼	8	52	d 0.30	d 0.30	—	—
Wayne-Gossard	'79	0.12– 0.06	d 0.72	6	8⅞	48	0.07	0.64	0.20	2.3
Cont Copper & Steel Ind	'76	0.10– 0.00	d 0.49	4½	6½	44	1.26	1.92	—	—
Holly Sugar	'76	0.85– 0.60	13.65	30¼	41⅞	36	3.63	8.30	1.00	2.4
Fisher Foods	'79	0.15– 0.10	d 1.14	8⅝	11½	33	1.05	1.19	0.50	4.3
Fidelcor	'78	0.55– 0.25	d 2.70	14	18⅜	31	2.34	2.70	0.64	3.5
Triangle Industries	'76	0.21– 0.00	d 2.88	9½	12	26	1.85	1.73	0.40	3.3
Coachmen Industries	'79	0.15– 0.00	d 2.81	6¼	7¼	24	d 2.09	d 1.31	—	—
Akzona	'77	0.30– 0.20	0.60	11⅜	13¼	16	0.40	0.19	0.80	6.0
Firestone Tire & Rubber	'79	0.28– 0.15	1.35	9⅞	11⅜	15	d 2.11	d 0.64	0.60	5.3
Amalgamated Sugar	'77	0.75– 0.50	d 1.95	30	34¼	14	8.78	11.06	4.00	11.7
Pabst Brewing	'79	0.30– 0.10	1.12	14¾	16¼	14	1.55	1.14	0.40	2.4
US Steel	'78	0.55– 0.40	2.85	28⅝	32⅜	13	5.25	7.03	2.00	6.2
Keystone Consol Inds	'77	0.25– 0.00	d 1.46	14⅝	16¼	11	d 1.84	d 4.36	—	—
Bethlehem Steel	'77	0.50– 0.25	d 10.27	23⅞	26⅜	10	2.77	2.11	1.60	6.1
Orange-Co	'79	0.05– 0.00	1.17	7	7¼	4	d 1.19	0.67	0.20	2.8
GF Business Equip	'76	0.08– 0.00	d 0.04	5	5⅛	3	0.80	0.83	—	—
Reece Corp	'77	0.19– 0.15	1.10	9¾	9⅞	1	0.86	0.68	0.60	6.1
Joseph Schlitz Brewing	'78	0.17– 0.10	0.41	10⅞	10½	–3	0.93	0.76	—	—
Hayes-Albion	'79	0.32– 0.10	0.06	10⅜	9⅞	–5	d 0.77	d 1.22	—	—
Rival Manufacturing	'77	0.40– 0.20	0.89	10¾	10⅛	–6	1.17	1.19	0.80	7.9
Kellwood	'79	0.28– 0.20	1.28	11¼	10⅜	–8	0.06	1.15	0.40	3.9
Penn-Dixie[11]	'77	0.06– 0.00	d 2.85	4¾	4	–16	d 2.65[12]	d 3.46	—	—
Food Fair[13]	'78	0.05– 0.00	d 7.42	4¾	3⅞	–18	1.86	2.38	—	—
Craig	'79	0.13– 0.06	0.59	8	6⅜	–20	d 0.13	d 0.69	—	—
Fotomat	'79	0.13– 0.00	d 0.57	9	6¾	–25	0.08	0.08	—	—
Mesta Machine	'78	0.25– 0.15	0.56	20⅞	15	–28	d 12.48	d 12.48	—	—
Munford	'78	0.10– 0.00	d 0.72	10½	7¼	–31	0.26	0.43	—	—
Victoria Station	'79	0.03– 0.00	d 0.42	13	7¾	–40	d 0.42	d 2.17	—	—
Giant Portland	'76	0.20– 0.15	0.48	10⅞	6⅛	–44	d 0.49	d 0.61	—	—
McLouth Steel	'77	0.30– 0.00	d 2.86	13¾	7¾	–44	d 10.22	d 10.50	—	—
Hesston	'76	0.20– 0.00	d 3.50	18⅞	10¼	–46	d 0.19	d 0.58	0.20	2.0
United Merch & Mfrs	'76	0.20– 0.10	d 3.36	11⅛	5⅝	–49	d 3.39	d 4.72	—	—
Sambo's	'79	0.15– 0.00	d 6.06	9⅝	4⅝	–52	d 1.05	d 1.05	—	—
General Public Util	'79	0.45– 0.25	1.56	10½	4½	–57	0.34	0.19	—	—
First Pennsylvania	'79	0.33– 0.11	1.06	11	4⅜	–60	d 10.47	d 9.88	—	—
Combustion Equip Assoc[11]	'79	0.07– 0.00	d 0.66	11¼	1⅛	–90	d 2.55	d 4.15	—	—
Itel[11]	'79	0.20– 0.00	d 39.13	14⅛	¾	–95	d 39.13[12]	NA	—	—

[1]Acquired by Warner Communications. 1 share of Franklin Mint exchanged for 0.764 share of Warner or cash and warrants. [2]Equivalent value of Warner Communications stock. [3]Excludes $2.81 from discontinued operations. [4]Excludes $2.86 from discontinued operations. [5]Excludes $9.67 from discontinued operations. [6]Acquired by Universal Leaf Tobacco: 1 share of Royster exchanged for $16 cash or cash and notes. [7]Standard Oil (Ohio) made acquisition offer @ $62 per share. [8]Excludes $3 gain from sale of property. [9]Excludes $1.42 gain from transfer of interest. [10]Excludes $17.09 gain from sale of proprietary drug business. [11]Company in Chapter 11. [12]1979 results. [13]Company is in Chapter 11; shareholders approved plan to reorganize into Pantry Pride holding company. NA: Not applicable or not available. d: deficit.

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dividend it was paying at the time from 37½ cents to 30 cents—would today be sitting with stock worth almost $7,200.

"We made what we think is a nominal dividend cut to tell stockholders that things were going to be tight for a year or two," says Edward L. Flom, Florida Steel's chairman. "We like to pay out between 30% and 35% of our earnings, so we try to adjust the dividends up or down in keeping with long-range business trends." Florida Steel's dividend policy isn't a reaction to crisis or calamity but rather an adjustment based on its perception of future business conditions. If Wall Street treats things differently, let the seller beware. "Our theory on the dividend is that it's an indication of what we think is going to happen in the future," Flom concludes.

Esquire, however, cut its dividend in 1976 for more conventional reasons—massive losses at its flagship magazine. But one year later management bit the bullet and sold out. By beefing up its other product lines and making aggressive acquisitions, Esquire has turned around: Its stock has more than tripled since 1976.

The dividend? It was restored four years ago—but Bernard Krauss, Esquire's president, isn't sure that dividend policy makes that much difference. "If you can ever establish some ratio between stock prices and payouts we'd be delighted to have it," he explains. "It's my general view that it doesn't make a lot of difference to stockholders anymore. With tax rates and inflation, people are looking for capital appreciation more than dividends."

Immediate market reaction to a dividend cut, of course, is not consistent. By the time Ford got around to reducing its payout from $1.00 to 30 cents a quarter in 1980, the market had already discounted the stock. Who wouldn't have been suspicious of a 15% yield—especially with Ford's losses. But lots of investors got a high-voltage shock when Con Ed cut its dividends in 1974. Not only did Con Ed's stock short circuit to a low of 6, but many other utilities took a beating as investors became concerned about industry revenues not keeping up with costs.

"Generally, at the point of a dividend cut, most of the damage is already done," says Michael Kailing of A.M. Kailing & Associates, a Chicago-based investment counseling firm. Still, he feels that dividend cuts tend to scare away institutions while smaller investors are more likely to hold their shares. That's why the immediate reaction is often a quick drop of a stock's price. "But as a company goes down the road and tightens its belt, things can become very positive," Kailing explains.

Other experts view dividend cuts more skeptically. David Leibowitz, vice president of American Securities, feels that it is a mistake for established companies with a tradition of high yield and high payout to cut dividends. "Shareholders own such companies because of income, and a cut really shakes their confidence. A dividend cut by an established corporation makes sense," says Leibowitz, "only if the company is literally changing its spots and has a plan in mind to embark on a new business. A dividend cut could also be justified for an emerging high-technology high-growth company paying only a nominal dividend in the first place. Such a company might be better off not paying a dividend—especially with the high cost of money."

Patient investors, of course, have already reaped handsome rewards from the best performers on our dividend cut list. But what about those stock prices that are lower now than when the dividend cuts took place? You would have lost only 95% of your money with Itel: Its present price is a reflection of what the market thinks about its chance for recovery. On the other hand, it looks as if Food Fair will successfully emerge from Chapter 11. In fact, it showed a profit in 1980—no small accomplishment in the grocery store industry. But Food Fair shares are still down by 18% since it cut its dividend in 1978.

Whether or not dividends are as important as they used to be, dividend policy does affect the market. In general, the risks of investing in corporations that have cut dividends is high. And it often takes patience, patience that can go unrewarded. If you have to wait five years to get back a 50% gain, you have hardly beaten 12% annual inflation.

For the brave who want a look at a current crop of dividend cutters, however, the table on this page presents a sampling. The pressures of high interest rates account for the large number of thrift institutions and if inflation declines they may be some of the most immediate beneficiaries. Otherwise, the ranks surely include the likes of Esquire and Florida Steel—as well as Food Fair and Itel. ■

Double or nothing

Here is a list of 22 companies that have cut their dividends in 1981. Nearly one-third of these firms are thrift institutions, hard hit by the pressures of high interest rates and restrictive regulations. Still, if these stocks show the same resilience as those listed in the table on page 189, share prices in 5 of the companies will double over the next four years. Several others, unfortunately, may go bankrupt.

Company	Change in dividend	Recent price	EPS latest fiscal year	Price/ earnings ratio
Alamo Savings Association	$0.13–$0.10	10½	d $2.20	d
Alpha Portland Industries	0.18– 0.00	13¾	d 6.55	d
Ambassador Group	0.10– 0.05	15¾	1.85	8.5
Bird & Son	0.25– 0.10	14½	d 0.89	d
Biscayne Federal S&L	0.20– 0.00	16⅞	0.73	23.1
Broadview Financial	0.11– 0.00	5⅛	d 0.73	d
Centronics Data Computer	0.05– 0.00	12	3.01	4.0
Decorator Industries	0.06– 0.00	2	0.09	22.2
Gibraltar Financial of Calif	0.15– 0.00	6¾	d 0.38	d
International Harvester	0.30– 0.00	15¾	d 12.91	d
International Proteins	0.05– 0.00	6¼	d 0.20	d
Midland Bancorp	0.33– 0.00	12	1.46	8.2
Northern Calif S&L Assn	0.18– 0.00	10½	0.71	14.8
Opelika Manufacturing	0.21– 0.05	11⅜	d 1.74	d
RTE	0.15– 0.10	9	0.36	25.0
Savin	0.18– 0.09	13	4.35	3.0
Siliconix	0.05– 0.00[1]	17¾	1.10	16.1
Timberland Industries	0.05– 0.00	4	d 0.94	d
Toro	0.11– 0.00	10⅛	0.90	11.3
Transohio Financial	0.10– 0.00	8⅛	0.75	10.8
Twin Fair	0.20– 0.00	7¼	d 2.64	d
Del E Webb	0.05– 0.00	11⅜	0.42	27.1

[1]Semiannual dividend. d: deficit.

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